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ASEAN Seeks Regional 'Open Trade Area'

OW2611095793 Tokyo KYODO in English 0936 GMT 26 Nov 93

[Text] Nagoya, Nov. 26 KYODO—Business leaders from Southeast Asia said Friday [26 November] they will strive to create an open trade area in the region to promote economic prosperity.

The representatives from countries belonging to the Association of Southeast Asian Nations (ASEAN) said at the end of their meeting with Japanese business officials that they will extend support for the free trade principles advocated by the General Agreement on Tariffs and Trade (GATT). They also told a press conference which concluded the three-day talks that they will seek to incorporate fast-growing economies like China and Vietnam into the regional trade by shifting labor-intensive industries there.

The latest bilateral private talks, the 19th in a series started in 1974, were joined by 80 ASEAN officials and 100 officials from the Japan Association of Corporate Executives (Keizai Doyukai). Participants reported that many of them were agreed that building cooperative ties with such rapidly-growing rivals as China and Vietnam is beneficial to the six-nation region.

Malaysian officials reportedly proposed a vertical division of labor among the nations concerned, while Thai business leaders unveiled a plan for minerals exploration and investments in advanced information facilities in Vietnam.

The two sides reached a common view that Japan and ASEAN will serve as a locomotive for the global economy in the coming century. They also agreed to join forces to nurture human resources and to seek an economic development compatible with environmental preservation.

The next conference, the 20th, will take place November 9-12 in Thailand.

Farmers in Region Oppose Rice Market Opening

SK3011031193 Seoul YONHAP in English 0256 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 (YONHAP)—Agricultural cooperatives from South Korea, Taiwan and Japan urged their governments not to allow the tariffication of rice in a statement on the Uruguay Round issued in Tokyo on Tuesday.

"Rice cannot be dealt with in the same way as other agricultural products because rice has a special meaning in the Far Eastern region. No one must apply tariffication without exception to rice," says the statement, issued in the name of the Far Eastern Agricultural Cooperatives Collaboration Council (FEACCC). FEACCC was organized in 1990 by the agricultural cooperatives of the three nations.

The deadline for completion of the Uruguay Round of global trade negotiations is Dec. 15.

The statement says that rice is the main source of income for farmers, creates employment, supports national food security, conserves national land and the environment and helps balanced regional development.

"If the governments open the rice markets, it will eventually destroy agriculture, cultures peculiar to the Far East, and the agricultural societies of the regions," it says.

"Considering various functions and the absolute importance rice has, it cannot be dealt with simply as one of trading goods. We must not sacrifice our rice for the sake of large-scale commercialized farming in some advanced nations, multinational corporations and international grain dealers."

Earlier in the day, FEACCC sponsored a meeting attended by about 2,000 farmers from the three countries before a rally opposing rice market opening.

Han Ho-sun, president of South Korea's National Agricultural Cooperative Federation, Yoshiharu Sato, president of Japan's Central Union of Agricultural Cooperatives, and Chien Chin-ching, president of the Taiwan Provincial Farmers' Association, were to meet in the afternoon before giving a joint press conference.

Official: Market Will Not Be Opened

SK3011102393 Seoul YONHAP in English 1013 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 (YONHAP)—The top official of South Korea's National Agricultural Cooperative Federation (NACF) said here on Tuesday Korea will not open its rice market.

"We will not open our rice market. The allegation of some press reports that South Korea would open its rice market under the minimum access method like Japan is not correct," NACF President Han Ho-sun said. Han was here attending an emergency chairmen's meeting of the Far Eastern Agricultural Cooperatives Collaboration Council (FEACCC).

Saying that the imports of a specific amount of rice every year under the minimum access system is tantamount to opening rice market, Han said sternly that "it is a sophistry to argue that the reprieve of tariffication does not constitute any rice market opening."

Speaking at a press conference held upon the end of FEACCC emergency meeting, Han invited attention to the fact that the president and other South Korean politicians of both the ruling and opposition camps pledged time and again that Korea won't open its rice market.

"I don't think there will be any last-minute about face of their pledge," he said.

The FEACCC meeting adopted a resolution expressing firm opposition to rice market opening in the FEACCC member countries—South Korea, Japan and Taiwan.

Japan

Tariffication on Milk, Other Products Discussed

OW0112030493 Tokyo KYODO in English 0233 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—The new farm trade proposal to be issued soon by the General Agreement on Tariffs and Trade (GATT) is likely to require tariffication on 20 items including milk products that Japan has asked to omit, Japanese Government sources said Wednesday [1 December]. The proposal, however, would permit a six-year grace period on replacing Japan's rice import ban with tariffs, they said.

The sources said there will be no major changes in the new proposal while South Korea is negotiating with the United States on trying to exclude its rice from tariffication and the Cairns Group of farm products exporting nations is still discussing the matter. But it appears inevitable for Japan to accept tariffication—replacing existing nontariff import barriers with tariffs—on the 20 farm items, the sources said.

They said the new proposal will allow Japan's rice market to have a grace period on tariffication with three conditions: the amount of imports is limited, domestic production is controlled, and there are no government subsidies for exports.

The proposal would allow Japan a six-year moratorium on replacing the import ban on rice with tariffs, and require importing foreign rice up to 8 percent of domestic consumption during the period. It also requires Japan to renegotiate tariffication of rice imports in the fifth year of the moratorium, the sources said.

Meanwhile, sources close to Japanese trade negotiators in Geneva said Japan, the U.S., Canada and the European Community (EC) may hold ministerial meeting after there's an accord in the ongoing EC- U.S. farm trade negotiations.

Automakers Criticize U.S. 'Numerical Targets'

OW0112154993 Tokyo KYODO in English 1501 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—The Japanese auto industry rapped the United States Wednesday [1 December] for virtually seeking numerical targets on Japan's import of cars and auto parts, saying such an attitude damages free business practices. The Japan Automobile Manufacturers Association criticized the U.S. for proposing the setting of "specific expectations" as a criteria to measure Japan's import of goods at the ongoing bilateral trade framework talks between the two countries.

The industry group also blamed the U.S. for requesting special treatment for non-Japanese U.S. auto parts manufacturers in pushing Japan to buy more from them. It said the U.S. is apparently discriminating against Japanese-American enterprises.

The association also said the U.S. is lacking in efforts to improve its competitiveness.

More Reportage on Rice Market Opening Issue

U.S. on 'Meaningful Alternatives'

OW0112002093 Tokyo KYODO in English 2357 GMT 30 Nov 93

[Text] Washington, Nov. 30 KYODO—The United States gave strong indications Tuesday [30 November] that it will accept limited access to the Japanese rice market instead of the immediate removal of Japan's ban on rice imports under a global trade pact. Farm trade, including Japan's refusal to allow any significant amount of commercial rice into the country, is the main outstanding issue as negotiators try to wring out a new General Agreement on Tariffs and Trade (GATT) accord before the mid-December deadline.

U.S. Secretary of Agriculture Mike Espy said market opening of farm products through tariffication remains the U.S. goal in the Uruguay Round of GATT trade talks but Washington would accept "meaningful" alternatives.

"We would like to have comprehensive tariffication of rice and all commodities. Failing that, we've got to have something meaningful," Espy told reporters.

Asked whether the U.S. will accept a reported Japanese proposal to raise the minimum level of rice imports in return for a delay of tariffication, Espy said, "this might be it."

Espy stressed, however, Japan has yet to make a formal offer on its rice market. "Once the market access offer is formally made, if it is made, then we will reply. It is something worthy of consideration," he said.

Japanese Government sources said Prime Minister Morihiro Hosokawa plans to outline the Japanese proposal on or around December 10.

The Japanese proposal, according to Japanese Government sources, involves raising the scope of minimum imports as provided in an original GATT draft agreement in exchange for a six-year moratorium on tariffication.

The Japanese Government reportedly has informally told Washington that Tokyo plans to gradually raise the volume of rice imports from 4 percent to 8 percent of the Japanese market over six years, instead of a 3-to-5 percent range as provided in the 1991 GATT draft accord.

U.S. Trade Representative Mickey Kantor, speaking at a separate news conference, ruled out changing a farm subsidies accord the U.S. concluded with the European Community (EC) last year but said there is still "plenty of flexibility" in market access negotiations.

"Within the market access discussions, there's plenty of flexibility in order to be helpful to everyone in order to open trade in agriculture," Kantor said. Kantor said Japan must also open up its financial market as part of an overall GATT agreement.

Kantor and Espy were talking to reporters prior to departing for Brussels where they will have two days of talks on farm trade with the EC, portrayed as a make-or-break attempt to get a Uruguay Round deal by the December 15 deadline.

Espy said it is "very likely" the Uruguay Round talks will be completed by December 15, when congressional authority for the U.S. Government to continue the negotiations will expire. Espy also sought to allay concerns in Japan that U.S.-grown rice may contain insecticides harmful to human health. "Our products are healthy.... We produce good food, whether it is rice, apples, beef or anything else," he said.

Japan is importing rice from the U.S. and some Asian countries to make up for a sharp shortfall in harvest this year, but Japanese officials have insisted that the import program is a one-shot deal.

Rice Import Planned in FY 1995

OW0112091493 Tokyo KYODO in English 0901 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Japan plans to start importing rice for both everyday consumption and processing in fiscal 1995 under the Uruguay Round of world trade negotiations, a government source said Wednesday [1 December]. The source, who asked to remain anonymous, said the United States has already been notified of the plan.

Whether Japan will open its rice market to imports has been a focal point of discussions at home and in the ongoing world trade talks under the General Agreement on Tariffs and Trade (GATT).

"Imported rice will be used for everyday consumption. It will not be diverted for stockpiling or food aid," said the source. Reports have suggested the coalition government of Prime Minister Morihiro Hosokawa plans to stockpile imported rice for aid to needy countries.

The government is expected soon to announce a decision to implement minimum access for its rice market for six years pending a study on a comprehensive tariff formula proposed by GATT, news reports have said.

The government has refused to liberalize rice imports because of parliamentary resolutions calling for self-sufficiency in rice.

Government sources said annual consumption of rice for processing is estimated at 1.4 million tons.

LDP, ROK Legislators Comment

OW0112054093 Tokyo KYODO in English 0501 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Opposition legislators from Japan and South Korea on Wednesday [1 December] renewed their opposition to the opening of the two countries' rice markets to foreign competition. In a joint statement, the lawmakers of Japan's Liberal Democratic Party (LDP) and South Korea's Democratic Party and the United People's Party condemned the United States for allegedly trying to strong-arm Tokyo and Seoul to lift import bans on their staple food.

In the Uruguay Round of global trade talks, Japan and South Korea are facing mounting pressure to open their markets to foreign rice. The seven-year-old negotiations being held under the auspices of the General Agreement on Tariffs and Trade (GATT) are scheduled to be completed on December 15.

The Japanese and South Korean legislators said their representatives will visit the headquarters of GATT in Geneva on Monday to express opposition to the lifting of the two countries' rice import bans.

The LDP lawmakers are staging a sit-in in the Diet grounds to protest moves to open Japan's rice market.

To show solidarity, three of the South Korean opposition legislators flew into Tokyo on Tuesday night, shortly after the LDP members started the action, which will last until 8 A.M. Thursday.

The Japanese and South Korean lawmakers said in their statement that they are poised to block the ratification of the Uruguay Round if their governments agree to conclude the trade talks by conceding on the rice issue.

The LDP legislators also said in another statement that if the Japanese Government wants to decide on the opening of its rice market, the matter should be discussed thoroughly in the Diet and the final decision should be left up to voters in a general election.

Hosokawa Reiterates Basic Stand

OW0112022293 Tokyo KYODO in English 0212 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Prime Minister Morihiro Hosokawa reiterated Wednesday [1 December] his government will continue last-ditch efforts to maintain self-sufficiency of rice and will abide by Diet resolutions against the opening of Japan's rice market.

Agriculture, Forestry and Fisheries Minister Eijiro Hata also said Japan will negotiate tenaciously over foreign calls to open the closed rice market.

Hosokawa and Hata spoke at the House of Representatives Budget Committee, which launched four days of deliberations on a second supplementary budget for fiscal 1993. The budget features an outlay increase of 708.72 billion yen from the first extra budget compiled in June.

Hosokawa and Hata did not reply directly to a question by a Social Democratic Party member on whether Japan will reject a compromise offer on rice by the General Agreement on Tariffs and Trade (GATT).

In GATT's Uruguay Round of talks, Japan and the United States are widely reported to have reached accord on limited access to the Japanese rice market.

The accord calls for imposing a six-year moratorium on tariffication of Japan's rice import ban, during which time the volume of rice imports would rise gradually from 4 percent to 8 percent of the Japanese market.

Turning to domestic corruption scandals, Hosokawa expressed regret over the recent series of arrests of governors, mayors and officials of major construction companies on suspicion of bribery, saying that politicians, bureaucrats and business executives need to transform themselves.

Hosokawa: Compromise 'Necessary'

OW0112115393 Tokyo KYODO in English 1134 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [1 December] a compromise is necessary to solve rice problems, suggesting the government may change its policy of banning imports of foreign rice. Hosokawa told the House of Representatives Budget Committee that the government "cannot negotiate if it never concedes and it will hold determined last-minute talks."

The premier is reportedly planning to announce Japan's decision to partially allow imports of foreign rice around December 10.

The Japanese proposal involves raising the scope of minimum imports in exchange for a six-year moratorium on tariffication, government sources said.

Whether Japan will open its rice market to imports has been a focal point of discussions at home and in the ongoing global trade talks under the General Agreement on Tariffs and Trade (GATT).

Hosokawa also pledged he will make every effort to draw up the fiscal 1994 budget by the year-end. The government "is making every possible effort to draft (the budget) within this year," Hosokawa said, indicating his wish to avoid having to end compiling the national budget early next year.

On Wednesday, the budget committee began four days of deliberations on a second supplementary budget for fiscal 1993. The supplementary budget features an outlay increase of 708.72 billion yen from the first extra budget compiled in June in an attempt to reverse Japan's economic slump.

Besides the supplementary budget, there is strong speculation that the government will not be able to finalize the budget for fiscal 1994, starting next April, by the year-end due to the pressing issues of political reform bills and possible rice import liberalization.

Tokyo, Beijing Agree on Environment Cooperation

OW0112042993 Tokyo KYODO in English 0302 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Japan and China agreed Wednesday [1 December] to promote cooperation in tackling environmental problems, Foreign Ministry officials said.

Foreign Minister Tsutomu Hata and Song Jian, a State Councillor and minister of the Science and Technology Commission of China, pledged the cooperation in a 15-minute meeting, the officials said.

Song, who arrived on Monday for a 10-day visit, told Hata his trip is aimed at promoting bilateral cooperation on science and technology and on the environment. He thanked the Japanese Government for extending cooperation to China through the Japan International Cooperation Agency (JICA), the Foreign Ministry's assistance body, the officials said.

Song was the chief official in charge of Emperor Akihito's visit to China in October 1992.

Tokyo Bans Oil Drilling Tool Export to Libya

OW0112114293 Tokyo KYODO in English 1115 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Japan will ban the export to Libya of oil drilling equipment starting Monday over Tripoli's failure to hand over suspects in a 1988 aircraft bombing, government officials said Wednesday [1 December].

The officials said the government revised Foreign Exchange and Trade Laws to enact the sanctions on Libya, which has defied a United Nations resolution calling for the extradition of two suspects in the bombing of the Pan American jetliner over Lockerbie, Scotland. The ban will be applied on oil pumps and other development equipment, they said.

Argentine President Menem Arrives for Visit

OW3011141093 Tokyo KYODO in English 1346 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 KYODO—Argentine President Carlos Menem arrived in Japan on Tuesday [30 November] night for a four-day visit to hold talks with Prime Minister Morihiro Hosokawa.

Menem, the first Latin American leader to visit Japan since Hosokawa took office in August, will meet the prime minister Thursday, Foreign Ministry officials said. He will also meet Emperor Akihito and Japanese business leaders during his stay until Friday, the officials said.

The president is accompanied by about 30 business leaders on his Japan trip, they said.

Hosokawa and Menem, 63, are likely to discuss bilateral relations and international affairs, such as UN reform, nuclear nonproliferation, global trade talks, and Latin American and Asia-Pacific affairs, the officials said.

The prime minister is expected to convey Japan's intention to send a survey team of the Japan International Cooperation Agency (JICA) to Argentina, they said.

The two leaders will also sign an agreement on Japanese cultural grant-in-aid of about 45 million yen for the purchase of audiovisual equipment for an Argentine university.

Menem is likely to call for expanded trade with Japan and increased Japanese investment in Argentina, they said. He visited the Netherlands and Cyprus before arriving in Japan.

Originally scheduled to visit Kyoto and Osaka on Saturday and Sunday, Menem has cut short his stay to return to home due to domestic political reasons.

Bulgarian Official Invites Investment, Trade

OW0112111393 Tokyo KYODO in English 1100 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Bulgaria's deputy prime minister on Wednesday [1 December] called on Japan to invest more in his country, import more Bulgarian products and promote travel to the historic nation. Valentin Karabashev, who also serves as trade minister, said at a press conference that Bulgaria wants investment in its machinery, electronics and chemical sectors, as well as in the tourist industry.

Karabashev named as price competitive products to be exported to Japan metals such as aluminum and copper, and processed goods like wine and rose perfume.

He also said dairy products, typically yogurt, are of high quality and would be competitive for the Japanese market.

Karabashev is visiting Tokyo to attend an opening ceremony Wednesday for the first exhibition in Japan of Bulgarian products and to further promote exchanges with Japanese companies and government officials.

Referring to a basic agreement last Thursday by the London Club on deferment of Bulgarian debts, Karabashev expressed hope that overcoming such impediments may help stimulate foreign investment in his country.

Karabashev said his country appreciated Japan's initiative to allow Bulgaria full membership in the West-East Conference of Ministers on Economy, Industry and Trade, and said talks with the Group of Seven (G-7) major industrial nations will gradually benefit the country's economic reforms, reconstruction and climate for foreign investment.

Hosokawa on Budget, Taxes, Political Donations

OW0112074993 Tokyo KYODO in English 0719 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Prime Minister Morihiro Hosokawa pledged Wednesday [1 December] he will make every effort to draw up the fiscal 1994 draft budget by the year-end. Hosokawa was replying to questions from Taro Nakayama, senior lawmaker of the opposition Liberal Democratic Party (LDP), at the House of Representatives Budget Committee, which began four days of deliberations on a second supplementary budget for fiscal 1993.

The supplementary budget features an outlay increase of 708.72 billion yen from the first extra budget compiled in June in an attempt to reverse Japan's economic slump.

Besides the supplementary budget, there is strong speculation that the government will not be able to finalize the shaping of the budget for fiscal 1994, starting next April, by the year-end due to pressing issues on impending political reform bills and Japan's possible rice import liberalization.

Hosokawa hinted at reviewing the land-value tax to revitalize the real estate market, saying "(we) must study ways of making use of land effectively." The land-value tax, introduced in 1991, was aimed at stemming land speculation that mushroomed during the "bubble" economy in the late 1980s.

Some economists say the tighter land-value tax has prevented vigorous land dealing among firms and individuals, thus stifling the economy.

Hosokawa also referred to an income tax cut as a possible economic stimulus policy, saying, "the timing is very important." He has hinted at implementing a 5 to 6 trillion yen income tax cut in January.

Concerning calls to hike the current 3-percent consumption tax, Hosokawa suggested the government will carry out the income tax cut ahead of the implementation of the consumption tax hike.

In a related matter, Bank of Japan Governor Yasushi Mieno told the budget committee the central bank will do everything possible to help private banks write off their bad loans as a way to overcome the economic slump.

Commercial banks have outstanding bad loans of some 9.25 trillion yen, which their borrowers have not been able to pay back due to either bad business results or bankruptcy.

Tomio Sakagami, a member of the Social Democratic Party (SDP), the largest force among seven ruling coalition parties, asked Hosokawa about his view on the alleged political donations by major construction companies to Shinseito [Japan Renewal Party] co-leader Ichiro Ozawa and LDP senior member Kishiro Nakamura.

The prime minister replied that he wants prosecutors to take up any matters they may find need to be dealt with.

Ozawa, a former LDP secretary general and an influential figure in the ruling coalition, and former Construction Minister Nakamura, reportedly received sums of 5 million yen and 10 million yen, respectively, from a construction firm.

Turning to the rice issue, Hosokawa reiterated that his government will continue last-ditch efforts to maintain self-sufficiency in rice and will abide by Diet resolutions against the opening of Japan's rice market.

Takemura on Rice, GATT, PKO Operations

OW0112071093

[Editorial Report] Tokyo ASAHI Television Network in Japanese at 0100 GMT on 28 November 1993, as part of its regularly-scheduled "Sunday Project" program, carries a 41-minute panel discussion moderated by commentator Soichiro Tawara. The discussion is participated in by Chief Cabinet Secretary Masayoshi Takemura and Kyoto University Professor Masaaki Kosaka.

At 0110 GMT Tawara begins the discussion by asking Takemura to explain his relationship with Ichiro Ozawa of Shinseito. Takemura responds: "We are both in favor of promoting political reform. As far as political reform is concerned, Ozawa, Hosokawa, and I share the same views."

Regarding political reform, Tawara points out the possibility that a considerable number of Social Democratic Party members in the upper house may vote against the political reform bills, although the bills were approved in the lower house. Takemura states: "Political reform has been our task for a long time. A majority of people want us to approve the bills by compromising with one another. The fundamental matter is to fulfill the people's wish."

Tawara explains the tight Diet schedule, saying that because of it the political reform bills may not be enacted before the end of this year. He asks Takemura if the Diet session will be extended. Takemura responds: "I do not even want to think about the possibility of extending the session. The fundamental issue is whether or not we are willing to undertake political reform."

Asked if the government would accept calls for a partial revision of the bills, Takemura replies: "Needless to say, the contents of the bills will be revised during Diet deliberations." Tawara asks if the cabinet will be dissolved should the government fail to enact the bills before the end of this year, to which Takemura answers: "We never considered the possibility of dissolving the cabinet. But Prime Minister Hosokawa clearly said he will take full responsibility if the bills are not passed before the end of thi- year. We still have thirty-three more days before the end of this year. We will do our best in those days to approve the bills."

Tawara changes the topic, asking Takemura to comment on the current economic situation. Takemura replies: "The economic situation is very serious; we have never experienced economic conditions of this magnitude before. Some say this is similar to the U.S. economic situation of four or five years ago. We have to change from a production-oriented to a service-oriented economy, in which ideas and services become the decisive factors of success."

On income tax reduction, Takemura feels: "There is a deep-rooted demand for income tax reduction. Lately, the prime minister has been in favor of positively and seriously studying the possibility of reducing the tax as a part of his overall economic measures." Kosaka urges Takemura to clarify the Hosokawa administration's economic measures, and thereby explain to the people that the economy will not recover overnight.

Quoting a NIHON KEIZAI SHIMBUN article, Tawara asks why the government is denying that Japanese and U.S. officials are negotiating an acceptance of rice tariffication on the condition of introducing a six-year moratorium. Takemura replies: "Negotiations are being held. We are doing our best to maintain our principles." Takemura continues to say the government is exerting frantic efforts at various negotiations to maintain the principles of the Diet resolution on self-sufficiency in rice supply. Tawara continues to ask why there is a major difference between what the government is doing and what it is saying. After explaining the stance Japan has maintained over the past seven years during negotiations in Washington and Geneva, Takemura says: "The Japanese Government's stance is to firmly maintain its previous fundamental line. We will continue to do so. It is not true that we abandoned the principle of maintaining self-sufficiency in our rice supply." He explains the government is "against introducing tariffication on rice without exception." However, he points out that time is running out for GATT, saying: "Japan cannot afford to take responsibility for the failure of the Uruguay Round because we are enjoying the benefits of free trade. Knowing this full well, Prime Minister Hosokawa and his cabinet are doing their best."

Introducing Takemura's book which will be published soon, Tawara asks Takemura what he means in the book when he says he wants to make Japan a "small country that shines." Takemura rsponds that he wants to make

Japan a unique country in nonmilitary fields, adding: "This concept is linked to a revision of the Constitution as well. Without hesitation we should be able to join not only peacekeeping operations [PKO] but other United Nations' activities."

Former Paper Maker Tycoon Indicted for Bribery

OW0112100793 Tokyo KYODO in English 0835 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Prosecutors indicted a former vice chairman of a major Japanese paper manufacturer on Wednesday [1 December] for giving a 100 million yen bribe to then governor of Miyagi, Shuntaro Honma, in December 1991.

Ryoei Saito, 77, then honorary chairman of Daishowa Paper Manufacturing Co., his closest aide Taira Kiyosawa, 65, then vice chairman of Daishowa, and Mitsuo Moriya, a local official of the Liberal Democratic Party, allegedly gave the bribe to Honma.

The indictment said they handed the money to Honma at his home, in expectation of favorable treatment of the Daishowa group's golf course and housing projects in Natori, Miyagi Prefecture. Saito raised the funds by selling his stocks, it said.

The Tokyo District Public Prosecutors Office also charged Honma, 53, with receiving the bribe. He has already been indicted for taking a separate 20 million yen bribe from Taisei Corp., a major construction company.

Honma, who was elected governor for the first time in 1989, resigned in early October this year soon after his arrest in the Taisei case while he was in his second four-year term.

Honma allegedly bought discount bank debentures with 48 million yen of the 100 million yen, deposited 12 million yen and gave the remaining 40 million yen to Diet members and prefectural assembly members elected in Miyagi Prefecture. He is said to have thanked Saito when the business magnate visited the Miyagi prefectural government office in February last year.

Saito raised a few eyebrows when he bought a Van Gogh and a Renoir for 12.5 billion yen and 11.9 billion yen in May 1990.

The son of Daishowa's founder, Saito served as company president from 1961 to 1982, and resigned to take responsibility for a financial crisis stemming from water pollution caused by the company's paper mill.

A total of 27 people have been indicted in a wave of bribery scandals which started in early summer involving major construction firms, the paper manufacturer, governors and mayors.

LDP Suspends Members Who Voted for Reform

OW3011121493 Tokyo KYODO in English 1142 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 KYODO—The opposition Liberal Democratic Party (LDP) on Tuesday [30 November] suspended 13 Diet members who voted with the government on political reform from official party duties for periods ranging from six months to three years, LDP officials said. The 13 members of the House of Representatives supported the government's package of political reform bills in a November 18 plenary session.

The party, however, granted three a stay on their suspensions and let them off with a reprimand.

Four LDP members who abstained from voting, including former Prime Minister Toshiki Kaifu and former Deputy Prime Minister Masaharu Gotoda, were not punished.

The penalties were decided by the party's disciplinary committee, which met Tuesday afternoon to discuss the matter at the LDP headquarters in central Tokyo, the officials said.

The party leadership earlier agreed to give more severe punishment to three of the dissidents because they also abstained or voted in favor of a no-confidence motion that brought down the LDP cabinet of then Prime Minister Kiichi Miyazawa in July. The three are Shigeru Ishiba, Takashi Sasagawa and former Education Minister Takeo Nishioka.

Ishiba and Sasagawa, who supported the no-confidence vote that led to the end of LDP rule, received three-year suspensions of their duties and Nishioka, who abstained, two years.

Norihiko Akagi, Kenji Kosaka, Teruhiko Mashiko and Shunichi Yamaguchi were suspended for 10 months, and Shokei Arai, Masamitsu Oishi and Seiichi Ota for six months. Hachiro Okonogi, Shizuo Sato and Yasukazu Hamada were granted a stay on their six-month suspensions with a reprimand.

The coalition government of Prime Minister Morihiro Hosokawa was inaugurated in August following the July 18 general election and has set about getting the political reform bills through the Diet before the end of the year.

The bills cleared the first hurdle after passing the lower house plenary session November 18 and were immediately sent to the House of Councillors.

Business Leader Urges Speedy Political Reform

OW0112053193 Tokyo KYODO in English 0512 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—A leader of a major business group urged Prime Minister Morihiro

Hosokawa on Wednesday [1 December] to achieve political reform as fast as possible so he can better tackle the current economic slump.

Osamu Uno, chairman of the Kansai Economic Federation, made the plea in a visit to Hosokawa at his official residence in which he handed the premier a statement demanding early passage of political reform bills through parliament and urgent implementation of fresh measure to boost the economy.

Delayed Diet debate on the reform legislation has to be concluded as fast as possible in order for the nation to concentrate fully on how to jack up its economy, the statement said.

To dispel public concern about the future, the business group also called for pump-priming measures centering on large-scale income and residential tax cuts, it said.

The government-sponsored political reform package cleared the House of Representatives on November 18, but deliberations in the House of Councillors have been delayed as the end of the current Diet session nears. It is due to end on December 15.

Hosokawa has staked his political future on passage of political reform bills through the Diet by the end of the year.

Panel Urges Deregulation on Gasoline Imports

OW0112081593 Tokyo KYODO in English 0754 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Japan should reduce the gap in domestic and foreign prices for petroleum products like gasoline by easing restrictions on imports, a government panel said in an interim report released Wednesday [1 December]. To this end, a subcommittee of the advisory committee for energy, an advisory body to the trade minister, proposed reviewing the current legislation, such as the law for temporary measures to import specific oil products, which restricts imports of gasoline and the like to oil refining companies.

The subcommittee also recommended deregulations on electric power and gas businesses.

While promoting exploitation of resources and pursuing further cooperation with oil producing nations in the Middle East and Asia-Pacific area with a view to securing stable supplies of energy, Japan should encourage factories to sell surplus electricity independently generated directly to electric power companies and users, it said.

It also stressed the need to benefit consumers and industries by liberalizing city gas rates for industrial use.

The Ministry of International Trade and Industry will set about full-scale deregulations in the energy field through specific study at the Petroleum Council and Electricity Utility Industry Council, advisory bodies to the trade minister, ministry officials said.

The subcommittee said in the report that the current system, which imposes many regulations on grounds of stable energy supply, has checked the popularization of other power sources, such as solar power and garbage-burning, and correction of the domestic and foreign price gap for gasoline and other oil products.

The subcommittee advised Japan to incorporate market principles as much as possible and to limit regulations to a minimum at normal times.

For future energy security, it recommended construction of a national storing base of liquefied petroleum gas (LPG), public assistance for exploitation of natural gas resources, and promotion of investment in the Middle East, among other regions.

Auto Industry Faces Double-Dip Recession

OW0112082293 Tokyo KYODO in English 0733 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Japan's automobile industry, once the leader of the country's economic expansion, now faces the strong possibility of a double-dip recession, requiring it to increase job reductions, industry sources said Wednesday [1 December].

The domestic automobile market is floundering under sluggish demand, with domestic sales falling below the year-before level in November. There are few signs of market recovery.

The sources said automakers, hit hard by flagging exports resulting from the yen's sharp appreciation, may be required to continue streamlining, including job cuts, if the current situation is carried into the New Year.

In Hiroshima, home of Mazda Motor Corp., the automaker enforced a one-day holiday for all its employees for the second time on Monday as part of its cost saving program. The company, affiliated with Ford Motor Co. of the United States, is expected to suffer a pretax loss of 32 billion yen in the current fiscal year ending next March 31.

Introduction of new models in October failed to prop up sales, the sources said. It was the first time since the 1973 global oil crunch that the company enforced a one-day holiday for all employees.

"It seems the automobile industry now faces a double-dip recession," said Futoshi Fujii, vice president of Japan's No. 2 automaker Nissan Motor Co. Fujii cited sluggish exports, particularly to Europe and China. Nissan also gave two extra days off to its employees in December.

The sources said Japan's automobile production for 1993 is estimated at about 11.3 million units, falling to the low level recorded nine years ago.

Honda Motor Co. said it will suspend production for four days toward the end of March next year.

Most automakers reported sharp declines in profits for the first half of fiscal 1993, which began April 1.

Toyota Motor Corp., leader of the industry, faces a severe business outlook for the July-December first half of its fiscal year.

Nissan President Yoshifumi Tsuji said the company may be required to take various countermeasures if its production falls further in the next year. His remark indicated the company may halt an additional production line or implement a four-day workweek, the sources said.

The company has announced a decision to shut down its main automobile production plant in Zama outside Tokyo.

Official on Foreign Exchange Reserve Increase

OW0112095293 Tokyo KYODO in English 0840 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—Japan's foreign exchange reserves rose again in November after posting the first month-on-month fall in eight months in October, gaining 195 million dollars to 95.42 billion dollars, the Finance Ministry reported Wednesday [1 December].

The foreign reserves include convertible foreign currencies, gold and International Monetary Fund special drawing rights.

Briefing reporters, a ministry official as usual declined to comment on details and reasons for the result. But he did say the yen-dollar rate showed speculative movements toward a higher yen in late November amid U.S. Congressional voting for the North American Free Trade Agreement and Japan-U.S. summit talks.

The official said the 3.70 yen range in November was relatively stable. The dollar started the month at 108.65 yen and ended at 108.82 yen, with a low of 105.65 yen and high of 109.35 yen.

Market experts closely follow fluctuations in foreign reserves as evidence of intervention by the Bank of Japan, and November's small changes following October underscore no such central bank operations amid stable currency exchange.

In August and September, Japan's foreign reserves rose sharply amid wild yen-dollar movements, likely evidence that the central bank intervened actively to stem the yen's rise.

On a global comparison using the latest available data, Japan regained its lead in foreign exchange reserves from Germany, which posted reserves of 90.1 billion dollars in September. Taiwan was the third with 84.4 billion dollars in August, and the United States followed with 77.8 billion dollars in September, followed by Spain with 42.3 billion dollars in September.

Economists Discuss Measures To Boost Economy

OW0112125393

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0152 GMT on 28 November—as part of its 105-minute "Sunday Project" talk show program which begins at 0100 GMT—carries a 23-minute discussion on how to deal with the current economic recession. The moderator is commentator Soichiro Tahara, and the discussion is participated in by Masaru Takagi, chief of the Fuji Research Institute, and Takanori Mizuno, a freelance economist specializing in international financial affairs.

At 0152 GMT, moderator Tahara first asks the participants for their views on the current economic situation. Fuji Research Institute's Takagi says the current economic situation is very serious, and predicts further increases in unemployment. Economist Mizuno indicates a similar view and explains that over-investment during the era of the "bubble economy" and poor financial management by banking organizations, which are now suffering from bad debts, were the major causes of the recession, saying: "The current economic condition in Japan is entirely the same as that of the United States between the late 1980's and early 1990's." Mizuno then says stock prices will further decrease. Asked by Tahara whether further economic stimulus measures such as increased public works projects and income tax cuts will be effective, Mizuno says "they would be ineffective" because the economic situation has not improved despite economic stimulus measures taken so far by the Miyazawa cabinet and the Hosokawa government.

At 0204 GMT, asked what measures should be taken to revive the economy, Mizuno says: "Current financial management of commercial banks should be corrected. To do this, it is necessary to get rid of banks whose financial management is poor." He adds: "Executives of banks still believe their banks are protected by the Finance Ministry, but this is too optimistic a view. I want to stress that banks should thoroughly wipe out their bad debts as early as possible." He then notes: "Unless the current financing system of banks is reformed, stock prices will not rise and the economy will not revive."

At 0207 GMT, Takagi of the Fuji Research Institute, which is affiliated with Fuji Bank, makes a counter claim, saying: "If economic stimulus measures such as public works projects or income tax cuts are taken they would be effective," noting the current situation would have been even worse had previous economic measures not been taken."

As concrete measures to help overcome the current situation, Mizuno stresses: "There are two other things to do. One is for the government to make people aware of the current situation. The other is that it is necessary to take this opportunity for the government to promote financial and administrative reform at the government level, as well as at a local government level, in the form of restructuring." Later, regular commentator Kyoto University Professor Masaaki Kosaka joins in, stressing it will take time to overcome the current economic situation.

Moderator Tahara says the participants seem to have agreed in principle that the restructuring of the financial system is necessary through creating new business centered on service.

The discussion ends at 0215 GMT.

Survey Shows 'Uncertainty Remains' Over Economy

OW3011114793 Tokyo KYODO in English 1116 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 KYODO—Most major Japanese companies do not expect their business conditions to improve until late 1994 or later as uncertainty remains over the economic outlook, according to a survey released Tuesday [30 November]. The quarterly survey, conducted November 10 by the Ministry of International Trade and Industry, showed 29 percent of the 161 leading businesses polled predicted their business will recover during the October-December period next year and 36 percent expected recovery in 1995 or later.

It said the percentage of companies predicting recovery in the coming six months plunged to 15 percent from 34 percent in the previous survey.

"Business is severe as expected," a ministry official said. "The sentiment among corporate executives has been considerably dampened," he said.

Nearly 90 percent of the companies replied that their business conditions remained bad or became worse.

Seventy percent of the firms asked said they thought there was excess labor, either broadly or partly, the survey revealed. The ministry official said the feeling of a labor surplus has increased among white-collar workers such as managerial and clerical staff members.

As to the supply-demand balance of the work force over the next six months, 58 percent expected it to relax, compared with 36 percent in the previous survey. Many companies are considering employment adjustment such as reshuffles or the transfer of regular employees and cutting recruits, the survey said.

More than 80 percent replied that the cool summer and a long spell of rain have had an adverse effect on their production, shipments and inventories, it said.

Industrial Output Plunges 5.1 Percent in Oct

OW3011073693 Tokyo KYODO in English 0723 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 KYODO—Japan's industrial production in October plunged a seasonally adjusted 5.1 percent from the previous month for the largest-ever monthly fall, the Ministry of International Trade and Industry said in a preliminary report Tuesday [30 November]. Output at factories and mines rose 2.2 percent in September after falling 1.2 percent in August and 0.2 percent in July, the ministry said.

The previous steepest month-on-month drop was 4.0 percent marked in January 1975, the ministry said. On an unadjusted basis, production in October fell 6.2 percent for the 25th straight month of declines from a year earlier, a new record.

The previous record declining streak was for 20 months from May 1974 through December 1975.

Shipments in October decreased 5.6 percent from the previous month after rising 3.5 percent in September. They declined 5.4 percent from the same month last year, posting the seventh consecutive month of falls from year-earlier levels.

October inventories declined from the previous month for the second straight month, falling 0.4 percent after a 0.8 percent decrease in September. On a yearly basis, inventories in October declined for the 11th consecutive month, falling 3.6 percent.

The ministry said production may continue to be dull as inventory adjustment is at a standstill and uncertainty remains over the outlook for final demand.

Koichi Yoshimoto, chief of the ministry's Statistics Analysis Division, said the production drop in October was more than a reaction to corporate efforts ahead of interim account closing at the end of September.

Yoshimoto said production adjustment could not help reduce inventories enough because shipments were declining. Effects of the yen's appreciation on foreign exchange dealings might have been gradually seen, Yoshimoto said.

Although the level of inventories has dropped, the stock-sales ratio hit a record high, standing at 124.5 against 100 for the base year of 1990, giving makers the feeling their inventories are excessive, he said.

October inventories slightly rose from September when those of air conditioners are excluded.

Yoshimoto predicted a continuing bleak perspective for industrial production, citing few signs of recovery in capital spending and private consumption, and possible effects of the strong yen on foreign exchange dealings. He pointed to the need to carefully watch movements of production, saying, "there is still no prospect of completing inventory adjustment. Far from that, there is a possibility of production level further dropping during the October-December quarter."

Yoshimoto had previously said industrial production may not decrease much further.

The ministry predicted a 2.6 percent rise for November and a 2.2 percent drop for December based on a survey conducted early this month.

Makoto Kurimoto, an economist at the Japan Research Institute, said that figures for October industrial production pointed to the strong possibility of a "double-dip." Kurimoto said the gloomy prospect was partly because the impact of the government's economic pump-priming measures has not yet been felt.

The government should naturally have taken measures promptly, and then the construction and material industries were supposed to lead a recovery, Kurimoto said. "Since corporate earnings have dropped, (the economy) cannot ride on a wave of recovery," he said.

Noting sluggish stock prices are increasingly discouraging business sentiment, "such a vicious circle may check production from recovering as expected" he warned. "It would take a year or so (for production) to get out of the bottom," Kurimoto said.

More Industries Made Eligible for Subsidies

OW3011070893 Tokyo KYODO in English 0646 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 KYODO—The Labor Ministry said Tuesday [30 November] it will make 10 more industries eligible for "employment adjustment" subsidies to help corporations maintain employment amid the prolonged economic slump. With the subsidies, the government provides part of the wages for workers who are given extra days off with pay or who are transferred to affiliated companies.

The paint, soft drink and paperboard manufacturing industries are among the 10 that have become newly eligible for the subsidies for the year beginning December 1. A total of 2,661 enterprises, with 134,000 workers, are involved.

Twenty-six other industries were designated for continued eligibility for the subsidies, the officials said. The number of eligible industries now stands at 212.

Report: Oct Jobless Rate Hits Six-Year High

OW3011014493 Tokyo KYODO in English 0103 GMT 30 Nov 93

[Text] Tokyo, Nov. 30 KYODO—Japan's jobless rate climbed to a seasonally adjusted 2.7 percent in October, the highest level in nearly six years, according to a government report released Tuesday [30 November].

The Management and Coordination Agency said the October unemployment rate was up 0.1 percentage point from September. It was the highest jobless rate since February 1988 but remains below the postwar high of 3.1 percent registered in May 1987.

In a separate announcement by the Labor Ministry, the closely watched ratio of job offers to job seekers fell 0.02 point to 0.67 in October for the 29th drop in the past 30 months, from a six-year low of 0.69 in September.

The October ratio was the lowest since June 1987 and meant that there were 67 job openings to every 100 people looking for work.

The October employment figures came as more Japanese corporations announced plans to trim their work forces as the economic slump drags on.

According to the agency's report, the number of jobholders increased 0.1 percent or 50,000 to 65.01 million in October. The increase was smaller than the 150,000 registered in September.

The number of people out of work jumped 21.4 percent or 310,000 to 1.76 million as the manufacturing sector continued to be the hardest hit by the economic slump and the stronger yen.

Manufacturing employment fell for the 12th month in a row, tumbling 2.4 percent or 390,000 to 15.64 million.

The figure reflects the trend among companies toward shifting production abroad to cope with the stronger yen while trying to cut domestic jobs.

Employment in the construction, wholesale, retail and food sectors increased from year-earlier levels as it did in the service sector.

North Korea

U.S. Admiral on Expected Outcome of N-S War

OW0112054893 Tokyo KYODO in English 0524 GMT 1 Dec 93

[Text] Tokyo, Dec. 1 KYODO—South Korean military forces supported by the United States would undoubtedly prevail if North Korea were to launch a surprise attack on South Korea, a top U.S. military official said Wednesday [1 December]. Adm. Charles Larson, commander in chief of the U.S. Pacific Command, made the prediction in a press conference.

"A war between the North and South would be very costly in the way of human lives and we certainly want to avoid that," Larson said. "However, let me be very clear, the South would win."

"There is not a victory option for the North, in my opinion, if they start aggression," he said.

Last month, NEWSWEEK magazine reported on a 1991 classified Pentagon study that concluded a surprise attack by North Korea might breach the South's defense lines in two weeks or less. The study reportedly said that it would take six to eight weeks for U.S. reinforcements to arrive, and that it would take some six months for U.S.-South Korean forces to prevail with enormous losses.

Larson said the assumptions in the computer simulation that was the subject of the article were outdated, and that now "its a whole different equation." The admiral said the U.S. is reviewing a modernization program for the South Korean armed forces, while extensive reviews have been under way in the wake of the Persian Gulf war on ways of enhancing U.S. reinforcement and support capabilities in the event of a renewed Korean conflict.

"As a combination of the two, it is sufficient to meet even an increased North Korean threat," he said.

But Larson acknowledged that the military threat to South Korea from the North has increased "reasonably significantly" over the past year. He said Pyongyang's offensive capability has been enhanced largely by its deployment of modern self-propelled artillery along the North Korean side of the Demilitarized Zone, within range of Seoul.

Another concern noted by the admiral was North Korea's possession of SCUD missiles, which are less of a problem since they can be effectively countered by the patriot missiles deployed in the south.

Larson predicted that the NODONG 1 ballistic missile being developed by North Korea could be operational within a couple of years. The successfully test-fired missile has a range of 1,000 kilometers and could deliver a nuclear warhead to Japan.

Questioned on the prospect of a cancellation of this year's "Team Spirit" military exercises between U.S. and South Korean forces, the admiral suggested he would prefer to go ahead with them as scheduled. But he said it is up to the U.S. and South Korean governments to decide whether to cancel the exercises as a "consolation" to North Korea, which is being pressed to drop a suspected nuclear arms development program.

On China, Larson said he does not see the country becoming a military threat in the near term, though he recognized concerns of neighboring countries over Beijing's increasing power-projection capabilities.

Clinton Cited on Japan's Nuclear Armament

SK0112111593 Pyongyang KCNA in English 1055 GMT 1 Dec 93

["United States Must Renounce its Double Standard Policy in Nuclear Issue"—KCNA headline]

[Text] Pyongyang, December 1 (KCNA)—U.S. President Clinton recently told a press conference at the White House that "Japan does not want to be a nuclear state", a remark that does not correspond to fact, according to a report of the Japanese YOMIURI SHIMBUN.

This is a despicable act of openly defending the Japanese reactionaries' scheme to gratify their desire to become a nuclear power by producing and possessing nuclear weapons.

It is the height of folly, indeed, that Clinton let out such a preposterous remark, obtrusively enough, at a time when Japan's nuclear armament has been raised as a serious problem in the world public and concern over it was mounting rapidly even within the U.S. Congress and Government.

As the world recognizes, Japan which has stockpiled a larger amount of plutonium than necessary, can mass-produce nuclear weapons and turn into a nuclear power any moment once it is determined.

According to data released by the Japan Science and Technology Agency, Japan's plutonium stockpiles at present total 8.23 tons. Japan is intending to secure 400 tons of plutonium in the 30 years to come.

Voices from the Japanese political circles fully reveal Japan's ambition to become a nuclear power. They say they "do not rule out possibilities of possessing nuclear weapons" and would "manufacture nuclear weapons, if necessary".

It is not hard to gather that Clinton, who must have known this fact, sought a sinister political aim when he tried to cover up Japan's nuclear ambition at an official interview.

This only revealed the United States' crafty intrigue to tone down voices of protest and condemnation against Japan's nuclear armament, now a target of accusations in the international arena, by patronizing and concealing it, on the one hand and to win the favor of Japan in return for it on the other and thereby (?isolating) the DPRK, continuously charging it as a "nuclear criminal", through further conspiracy and tieup with Japan. [sentence as received]

Base, indeed, is the double standard policy of the United States in the nuclear issue, which is raising a hue and cry over the non-existent "nuclear problem" of the DPRK, while feigning ignorance of Japan's move to become a nuclear power that poses a grave menace to peace in Asia and the rest of the world.

Should the United States continue to resort to its hostile strategy to stifle DPRK, sticking to the double standard policy, its consequences would be dangerous enough, for which the U.S. authorities would be held wholly responsible.

The United States must stop its criminal acts to do harm to the DPRK by patronizing and strengthening tieup with the Japanese reactionaries and come out with an honest attitude to the negotiating table for a solution of the nuclear problem on the Korean peninsula.

Cases of U.S. 'Aerial Espionage' in Nov Noted

SK0112043993 Pyongyang KCNA in English 0410 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—The U.S. imperialists committed aerial espionage against the northern half of Korea more than 200 times with the mobilization of a total of 180 reconnaissance planes including RC-135s and RV-1s in November, according to military sources.

A high-altitude strategic reconnaissance plane U-2 committed aerial photographing and electronic espionage on objects in the strategic depth of the DPRK in the skies above Pochon, Hwachon, Inje and Kojin on November 29 and two U-2s in the skies above Tokjok Island, Kapyong and Yangyang on November 27.

The aerial espionage by U-2 planes numbered more than 30 in November.

The U.S. imperialists perpetrated aerial espionage on the DPRK with the E-3 early warning plane and various types of reconnaissance planes on November 15, 17 and 18 during the war exercises codenamed Eagle 93 and Hwarang.

This proves that they are zealously stepping up war preparations against the DPRK, going against peace in Korea and the Korean people's desire for reunification.

Foreign Groups Urge U.S. To Honor Commitments

SK3011111193 Pyongyang KCNA in English 1031 GMT 30 Nov 93

[Text] Pyongyang, November 30 (KCNA)—Foreign political and public circles strongly urged the United States to honor its commitments at the DPRK-USA talks.

The Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea in a statement November 17 said the nuclear problem of the Korean peninsula still remaining unresolved is attributable to the hostile policy and partiality of the United States and the International Atomic Energy Agency [IAEA].

The statement accused the United States of trying to attain its political aim against Korea under the pretext of "noncompliance With the Safeguards Agreement".

It strongly demanded that the United States abandon the policy hostile to Korea, settle the nuclear issue through negotiation and immediately stop the moves to plunge the Korean people and the world's peaceloving people into misfortunes and sufferings.

Fausto Sorini, vice-director of the International Department of the Italian Party for Communist Refoundation, in a lecture on the situation of the Korean peninsula said: "Taking issue with the fictitious 'development of nuclear weapons' by the DPRK is a move to stifle socialist Korea. We hold that the United States should solve the nuclear problem in a peaceful way through DPRK-USA dialogue, not by pressure."

The Belgian paper SOLIDAIRE November 17 wrote that the United States is hell bent on a wholesale campaign to stifle people's Korea which is struggling for socialism, by inventing a fiction of "nuclear threat", but the Korean people who have been organized and all armed are not the sort of people who will yield to any threat or intrigues.

The Zimbabwean paper GUARDIAN November 19 said that although some officials of the IAEA, instigated by Western forces, are claiming "special inspection" of military sites of Korea, they have no authority to make "special inspection" of them. If a "special inspection" of the military sites of the Republic is made, data about them would be handed over to the United States, wrote the paper.

Further on Controversy Over POW Camp Letter

Gist of Letter Cites 'Atrocities'

SK2911105593 Pyongyang KCNA in English 1013 GMT 29 Nov 93

[Text] Pyongyang, November 29 (KCNA)—The July issue of the South Korean magazine KIL this year introduced the gist of a letter to the Paris World Peace Conference written by People's Army prisoners of war [POW] who were held incommunicado at the POW camp on Koje Island during the Korean war.

The letter "From All the People's Army POWs in Camp No. 6, in Koje Island, the Island of Blood, July 27, 1953" exposes the atrocities committed by the U.S. imperialist murderers.

The magazine said it "omitted" the parts about the brutalities of the U.S. imperialists too hideous to recount.

According to the letter introduced in the magazine, the U.S. imperialist colonialists reduced POWs to objects of test of a-bombs and germ weapons and various kinds of medical experiments, to commodities for their political trickery to expand the war, and lifelong slaves for rearmament of the Syngman Lee and Chiang Kai-shek cliques.

Quite a few POWs lost their youth, falling victims to medical experiments, a larger number of prisoners had their arms and legs cut off for wartime nuke and other experiments, and thousands of others died as guinea-pigs for germ bomb experiments in secret rooms of a bacteriological laboratory.

The Americans went so far as to stand hundreds of POWs in a line and test the penetrability of heavy and light machine guns.

The enemy ordered all the prisoners to betray their people and leader, and killed those who refused to obey.

In 1952, Yankee murderers fired more than 60,000 heavy and light machinegun and rifle bullets, over 20 mortar shells and 100 handgrenades at POWs at camp wards Nos. 92 and 95 who opposed a blood-sucking investigation through tete-a-tete questioning, killing more than 600 of them. At camp ward No. 72 they dismembered 28 Korean and Chinese POWs with daggers and at ward No. 83, threw some 20 prisoners into dung tubs and put many prisoners into cooking pots all day long in the kitchen, piling skeletons in heaps. In the plaza of camp ward No. 74 more than 1,000 prisoners fell more dead than alive, bathing in blood, under clubs of terrorists.

On June 10, 1952, the large forces of six divisions of Yankee murderers encircled ward No. 76 and launched in the morning a massacre operation, supported by more than 100 tanks, armored vehicles, some 100 artillery pieces of various kinds, several destroyers and a flying group. Over 2,200 out of the more than 6,800 POWs there were slaughtered in cold blood and all those who barely survived the massacre were reduced to cripples or living corpses.

When the letter of People's Army POWs was introduced in the magazine KIL, the South Korean "Security Planning Board [SPB]" let Yi Ki-pong, its secret agent, contribute to the magazine WOLGAN CHUNGANG articles branding the letter as a "forgery".

The South Korean authorities framed a mean plot through the "SPB", a fascist repressive machine, far from accusing the U.S. imperialists of their murderous atrocities. This shows that the Kim Yong-sam "regime" is an anti-national group little different from the preceding dictatorial "regimes".

Daily Denounces South's 'Plot'

SK2911052893 Pyongyang KCNA in English 0447 GMT 29 Nov 93

["Base Plot of Colonial Servants"—KCNA headline]

[Text] Pyongyang, November 29 (KCNA)—NODONG SINMUN Monday denounces the intrigues of the South Korean "Security Planning Board" as regards the secret documents of the People's Army POWs unearthed in Koje Island.

The "SPB" is concealing the letter of the People's Army POWs addressed to the Paris World Peace Conference during the Korean War and their relics, so that they may not be known to the public and, at the same time, let venal journalists issue false articles arguing that the U.S. imperialists had not used germ bombs, that the literary style of the letter suggests that it was written after the war and that the camp number is wrong.

The news analyst says:

This clearly shows what desperate efforts the South Korean rulers are making to bury in the dark in history the shocking crimes committed by the U.S. imperialists in the war.

Weaving an anti-DPRK plot is stereotyped technique employed by the "SPB" each time political uneasiness grows and the crisis of the rule gets serious in South Korea.

They are running wild in their attempt to do harm to the fellow countrymen in collusion with outside forces under the pretext of fictitious "suspicion of nuclear development" against the North and suppressing the people's movement for independence, democracy and reunification, connecting it with the North in a far-fetched manner. The plot concerning the documents unearthed at the site of the POW camp on Koje Island is also a brainchild of the "SPB".

The Central Committee of the Red Cross Society of the Democratic People's Republic of Korea demanded that the South Korean Red Cross transfer the letter and relics of the People's Army prisoners to the North side, the party concerned. Upset by this, the South Korean ruling quarters let the "SPB" hatch a plot as regards the secret documents of the POWS camp.

That the recent plot is a brainchild of the "SPB" is clearly proved by the personality of the "writer" of the article contributed to the magazine WOLGAN CHUNGANG. He is a despicable hack writer who has been wholly engaged in anti-communist, anti-North writing inciting hostile feelings between the fellow countrymen and he is widely kwown to the South Korean people as a "secret agent" of the "SPB".

The plot of the "SPB" is a premeditated move designed to hush up the atrocities of the U.S. Forces against the POWs of the people's army and aggravate the relations between the North and the South on purpose by whipping up antagonism, distrust and confrontation between the fellow countrymen.

If the South Korean rulers truly intend to pursue civilian politics, they must immediately dissolve the "SPB", an anti-reunification plot-breeding machine, as demanded by the South Korean people. And they must transfer at once to the North side the letter and relics of the POWs of the People's Army unearthed in Koje Island.

Other Newspapers Comment

SK3011054293 Pyongyang KCNA in English 0441 GMT 30 Nov 93

[Text] Pyongyang, November 30 (KCNA)—The "Security Planning Board" of South Korea let the magazine WOLGAN CHUNGANG maliciously slander the North, alleging that the letter of Korean People's Army POWs addressed to the world peace conference during the war and their relics are "forgeries" of "operatives of the North in South Korea".

Commenting on this, MINJU CHOSON today denounces this as a premeditated and despicable false propaganda of the anti-communist plot-breeding machine to conceal the bestial atrocities against the POWs of the People's Army committed at the POW camp on the Koje Island and aggravate the North-South relations.

The news analyst says:

That the plot is a brainchild of the "SPB" is clearly proved by the fact that the "author" of the article slandering the North is a despicable hack writer who is wholly engaged in anti-communist, anti-North writing and he is widely known to the people as a "secret agent" of the "SPB".

In launching such anti-communist smear campaign by setting the "SPB" in-motion, the South Korean authorities seek to whip up the North-South confrontation and thus maintain and prolong the "power".

Reverence for Kim Chong-il Said Rising in South

SK3011110393 Pyongyang KCNA in English 1025 GMT 30 Nov 93

["Loyalty to Mr. Kim Chong-il Leads to Bright Future of Unified Country and Nation's Way Out"—KCNA headline]

[Text] Pyongyang, November 30 (KCNA)—Reverence for the dear leader Comrade Kim Chong-il is growing ever deeper among the South Korean people.

A university professor in Seoul told his family:

"A nation's rise and fall depend on what leader it has. This is a truth proved by history and my philosophy of life.

"As our nation has dear Mr. Kim Chong-il, its future is bright and the people's minds are filled with hope.

"We must uphold and follow the dear leader with our whole heart, firmly believing that loyalty to him leads to a bright future of the unified country and the nation's way out."

A politician in Mapo district, Seoul, said:

"We must achieve liberation and independence, free from dependence on the United States, and reunify the country in the 1990s without fail. In order to accomplish this historic cause of the nation, we must uphold Mr. Kim Chong-il and follow his guidance."

A Seoul citizen showed his colleagues a book titled "Lodestar of the Age of Independence", saying:

"It is our people's highest honour and greatest happiness and pride to have the sagacious Mr. Kim Chong-il as the leader of the nation. Thanks to him, the day when the 70 million Koreans will acclaim reunification is drawing near."

Papers Denounce Kim Yong-sam's Assembly Speech

SK0112050693 Pyongyang KCNA in English 0446 GMT 1 Dec 93

["Half-Witted Farce of Flunkeyist Traitor"—KCNA headline]

[Text] Pyongyang, December 1 (KCNA)—NODONG SINMUN and MINJU CHOSON today come out with commentaries denouncing the foolish remarks made by Kim Yong-sam at the plenary meeting of the puppet National Assembly on November 29, embellishing his U.S. trip marked by treacheries with such phraseolgy as "success" and "prestige".

During his tour of the United States, Kim Yong-sam begged for "exercise of influence" and "establishment of an international cooperation system" over the "nuclear problem the North" and made remarks putting the brake on the third- stage DPRK-USA talks when he met with the U.S. President.

An analyst of NODONG SINMUN says:

His recent trip to the United States was a tour of despicable treachery in which he played the role of a dog to slay fellow countrymen with a foreign sword and a mean mendicant trip intended to maintain his power with the support of outside forces, leaving South Korea a colonial nuclear military base of the United States to a larger degree.

Ignoring this hard fact, Kim Yong-sam gave one "party" after another as soon as he returned from the United States and praised himself as if he had made some "successes". Worse still, he appeared at the plenary meeting of the "National Assembly" and foolishly boasted of his own "prestige." This is a political cartoon which one cannot see without laughter.

Kim Yong-sam is a dirty betrayer who took over the baton of the dictatorial power by his political prostitution, joining hands with the military dictator of the "sixth republic," closing his eyes to the desire of the people for independence and democracy.

From the first days of his assumption of power, he vociferated about "civilian politics" and "reform policy." But this ended in treacherous eloquence devoid of any idea or criterion, which was run through with big talk and popularity hunting.

He must bear it in his mind that the treacherous act of putting a spoke in the wheel of the DPRK-USA talks and doing harm to the fellow countrymen will precipitate the self-destruction of the "civilian government" itself.

An analyst of MINJU CHOSON warns that Kim Yong-sam must ponder over the consequences of his treacherous acts and behave with discretion.

Further on ROK Students' Rally on Rice Issue

SK2911112093 Pyongyang KCNA in English 1030 GMT 29 Nov 93

[Text] Pyongyang, November 29 (KCNA)—Students, dissident organisations and an opposition party of South Korea urged the authorities to clarify the stand of the "government" toward the rumour that Kim Yong-sam agreed on the opening of the South Korean rice market and other matters during his trip to the United States, according to a radio report from Seoul.

The South Korean Federation of General Student Councils (Hanchongnyon) called a press conference at Yonsei University on November 27, and denounced the opening of the agricultural market as a "Policy of Destroying the Basic Right of Peasants to Live" and urged the "government" to clarify its stand through the press till December 3.

Manifesting its firm stand to check and frustrate the opening of the agricultural market, the organisation said that, for this purpose, it would immediately work out a detailed fighting program and sponsor an all-people rally in February next year.

It held a students' rally to secure the vital rights of peasants. At the end of the rally, an estimated 400 students marched toward "Chongwadae [presidential offices]" to hand to Kim Yong-sam a questionnaire urging him to answer questions related to imports of farm produce.

The "All-people Measure Council for Defending Our Rice" in South Korea in a statement November 26 said it was intolerable for the "civilian government" to adopt a decision to open the agricultural market through consultations behind closed doors. The "government" must hold a national referendum and ask the people's will before opening the agricultural market, it stressed.

The Democratic Party at an enlarged caucus meeting said there is a doubt that Kim Yong-sam promised to open the agricultural and financial markets, etc., urging the authorities to explain about it.

Foreign Media Cited on Japan's 'Past Crimes'

SK3011110193 Pyongyang KCNA in English 1021 GMT 30 Nov 93

["Japan, a Shameless Country Least Most Reluctant To Make Sincere Apology in the World"—KCNA headline]

[Text] Pyongyang, November 30 (KCNA)—Foreign media and personages scathingly criticise the past crimes of Japanese imperialism and the unjustifiable attempt of the Japanese Government to avoid apology and compensation.

The Belgian paper SOLIDAIRE said during World War II Japan forcibly drafted Korean women and subjected them to sex slavery and committed savage outrages that would make even beasts blush with shame such as mutilating their bodies by fastening their arms and legs to horses and burning them en masse after rape.

Even today when all the crimes have been brought to light, Japan refuses to admit the fact itself, far from making an apology and adequate compensation to the Korean people for its crimes, noted the paper.

Campton Makamure, chairman of the Zimbabwean Association of Democratic Jurists, said the genocide committed by Japanese imperialism was the most hideous and barbaric violation of human rights without precedent in the world's history of aggression in scope and bestiality.

He stressed that if Japan does not make a sincere apology and compensation for its appalling crimes and abandon the outdated mode of thinking, it will inevitably encounter bitterer criticism and curses from the world public and judgment by international law.

A Jamaican paper said that lurking behind the problem of "comfort women for the Army" admitted by the Japanese Government belatedly is a very perfunctory gesture and sinister political intention. The paper urged the Japanese Government to probe the truth comprehensively and open the result to the public for a thorough solution of the problem.

The Japanese ASAHI JOURNAL wrote that Japan is a shameless country most reluctant to make a sincere apology in the world.

Kim Il-song Sends Greetings to Lao President

SK0112103093 Pyongyang KCNA in English 1000 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—[Words indistinct] the Democratic People's Republic of Korea today sent a message of greetings to President Nouhak Phoumsavan on the occasion of the 18th founding anniversary of the Lao People's Democratic Republic.

President Kim Il-song in the message said since the founding of the Republic, the Lao people have registered big success in their endeavours to build an independent and prosperous new Laos under the correct guidance of the Lao People's Revolutionary Party [LPRP] and, now, are waging a vigorous struggle to attain national unity, safeguard the achievements of revolution, consolidate and develop the people's democratic system and thereby advance it to socialism.

Wishing the president and the people of Laos success in their work for implementing the decisions of the Fifth Congress of the LPRP, he said "we are rejoiced over the fact that the relations of friendship and cooperation established on the road of struggle for independence, sovereignty and socialism are strengthening and developing with each passing day."

He expressed the belief that the bonds of friendship, unity and solidarity between the peoples of Korea and Laos would be consolidated further still in the future.

Cuban Jurist Says U.S. Troops Used 'Gas Weapons'

SK0112112593 Pyongyang KCNA in English 1047 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—Dr. Mrs. Candelaria Rodriguez, a jurist of Cuba, in an interview with a KCNA reporter on November 30 said that the United States can never conceal the criminal fact that it used germ and gas weapons during the Korean war.

She said that she, as a member of the fact-finding group of the Women's International Democratic Federation 40 odd years ago, witnessed the truth of the germ and chemical warfare committed by the United States and its victims in different areas of Korea.

Saying that she saw U.S.-made germ bombs in burned cities, villages, streets and forests of Korea, she noted that flies, mosquitoes, spiders, bedbugs, beetles and crickets contained in them were mediators of pest, cholera, typhoid and other horrible contagious virus.

The U.S. troops committed the unpardonable crimes of dropping food containing germs on residential quarters and spraying smallpox germ, leaving their temporarily occupied areas, she pointed out.

She said that she investigated the crimes and atrocities committed by the U.S. imperialist aggression forces and the South Korean puppet Army, and drew out a final report and a declaration and sent them to the president of the U.N. General Assembly, the U.N. Secretary General and the president of the U.N. Security Council, but the United States and the South Korean authorities deny these crimes still now 40 years after.

The atrocities of germ and chemical warfare committed by the United States in the Korean war are unprecedented in brutality, inhumanity and immorality and a great crime of violating the recognized international law, she said, and added:

The United States left no stone unturned to threaten and bribe her, a witness, in a bid to conceal the truth of these crimes.

Army Unit Marks Founding of Cuban Armed Forces

SK0112044193 Pyongyang KCNA in English 0421 GMT 1 Dec 93

[Text] Pyongyang December 1 (KCNA)—A soldiers meeting was held at the Yi Sok Unit of the Korean People's Army on November 30 to mark the 37th anniversary of the founding of the Revolutionary Armed Forces of Cuba.

Invited to the meeting were Cuban Ambassador to Korea Juan Jose Leon Vega and his embassy officials.

Speeches were made at the meeting.

After the meeting, the participants saw a Cuban feature film.

Visiting Koreans From China Meet Yi In-mo

SK3011051293 Pyongyang KCNA in English 0428 GMT 30 Nov 93

[Text] Pyongyang, November 30 (KCNA)—Members of a delegation of the headquarters of Koreans in China under the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) headed by its Chairman Yu Chang-hwan and a delegation of the headquarters of Koreans in China under the National Alliance for the Country's Reunification (Pomminnyon) led by Hwang Kil-pok met here Monday with a former war correspondent of the Korean People's Army Yi In-mo, the incarnation of faith and will.

Yi In-mo said he resolutely fought in defence of his constancy as a revolutionary, not yielding to all sorts of appeasement, deception and harsh persecutions by the enemy behind the bars for 34 years.

He stressed that he could win victory in the confrontation with the enemy because he fought, firmly believing in the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Chairman Yu Chang-hwan said they would become tens of thousands of Yi In-mos abroad, thus remaining stars of loyalty holding the great leader and the dear leader in high esteem.

Yi Son-ok, a member of the delegation of the Pomminnyon headquarters of Koreans in China, said she would learn from the indomitable faith and will of comrade Yi In-mo and dedicate her all to the sacred struggle to reunify the divided country, upholding the great programme of national reunification put forward by the great leader.

Kim Il-song Greets Romanian President Iliescu

SK3011112693 Pyongyang KCNA in English 1036 GMT 30 Nov 93

[Text] Pyongyang, November 30 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Monday sent a message of greetings to Romanian President Ion Iliescu on the National Day of Romania.

President Kim Il-song in the message expressed the belief that the cooperative relations between the two countries would develop favourably.

Bulgarian Envoy Hosts Reception Marking Ties

SK3011045893 Pyongyang KCNA in English 0422 GMT 30 Nov 93

[Text] Pyongyang, November 30 (KCNA)—Bulgarian Ambassador to Korea Yordan Mutafchiev gave a cocktail party Monday on the occasion of the 45th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Bulgarian Republic.

Invited to the party were Vice-Minister of Foreign Affairs Yi In-kyu, Vice-Chairman of the State External Economic Affairs Commission Kim Chong-u and other officials concerned.

Speeches were exchanged at the party which proceeded in a friendly atmosphere.

Article Dedicated to Solidarity With Palestine

SK2911111693 Pyongyang KCNA in English 1025 GMT 29 Nov 93

["Day of World Solidarity With Palestinian People Observed"—KCNA headline]

[Text] Pyongyang, November 29 (KCNA)—NODONG SINMUN today dedicates an article to the day of world solidarity with the Palestinian people.

The Palestinian people have waged an unremitting, sacred struggle to retake the lost territory and restore their legitimate national rights, the article says, and goes on:

The Palestinian issue is the part and parcel of the Middle East issue and its solution is a matter of key importance for Middle East peace.

The declaration of principles the core of which is temporary Palestinian self-rule in Gaza and Jericho town, part of the occupied Palestinian territory, was signed between the Palestine Liberation Organisation and Israel in last September, but some difficulties have cropped up in the way of its implementation.

This causes disappointment and apprehensions among the international community including the Arab people who hope to see a progress in the Middle East peace process.

The just struggle of the Palestinian people to restore their legitimate national rights enjoys international support and encouragement. The Korean people have consistently and fully supported the just cause of the Palestinian people. The friendly relations between the peoples of the two countries will continue to grow stronger and develop in the future under the idea of independence, peace and friendship.

Reportage, Comment on Meeting of 'Frontrankers'

'Noble Virtues' of People Cited

SK2911105793 Pyongyang KCNA in English 1021 GMT 29 Nov 93

[Text] Pyongyang, November 29 (KCNA)—A national meeting of frontrankers in beautiful communist traits will shortly be held with a large attendance in Pyongyang.

It will be attended by those who have devoted their all to the party, the leader, the society, the collective and comrades with noble virtues.

In Korea, a socialist society centred on the popular masses, beautiful deeds of those with true personalities and noble humanity are reported one after another, deeply moving the people.

Some time ago, a non-commissioned officer of the Korean People's Army [KPA], Yu Kyong-nam, covered an exploding handgrenade with his body while on duty, saving his revolutionary comrades at the cost of his life at the age of 22.

Upon receiving the report, the dear leader Comrade Kim Chong-il saw to it that he was awarded the title of Hero of the Republic, the highest honor for citizens, and extended thanks to his unit and his parents in the name of the supreme commander and the party Central Military Commission.

Pak Yong-il who was a non-commissioned officer of the KPA, Kim Kwang-ho who was a coal miner of the Kowon coal mine, Pang Yong-suk who was a farmer of the Taechon-up cooperative farm and Hwang Kil-yon who was a teacher of the Chongbang Senior Middle School, Sariwon City, were true persons of our age who dedicated their lives to the society, collective and comrades. They always remain in the memory of all the people.

Yu Chong-sil in Haeju City, South Hwanghae Province, Choe Hye-yong in Taesong District, Pyongyang, and many other women are taking care of orphans and old people with no children to support them. This is not uncommon in any part of the country.

Cha Song-hui, a student of Sunhwa University, has become the daughter of Paek Hong-ki, 62, and his wife Kim Chong-hui, 61, who got wounded in the fatherland liberation war and are now living in Kilchu-up without children, and is looking after them with all filial devotion.

A good many young people have volunteered to difficult and arduous domains of socialist construction and unhesitatingly got married with those who became disabled while fulfilling their military duties.

Chang Kwan-sun, a primary school teacher in Sijung County, Chagang Province, and Choe Tae-sun, a primary school teacher in Singye County, North Hwanghae

Province, carried crippled children to the schools on their backs until they finished them. Yi Yong-hui, a nurse of Kim Man-yu Hospital, donated her conjunctiva to a case. Pak Sun-yo and Kwon Chong-hui, train conductresses of the Pyongyang Passenger Train Service Corps, found and returned to Hatsushi Akirashi, sales manager of the union Air Service Company, Ltd., Japan, the valise containing some 200,000 dollars and several bank notes which he had lost. Countless are such beautiful deeds displayed by working people.

Their spiritual and moral traits are an aspect of the true appearance of Korea where the leader, the party and the masses are united in one mind and the whole country is a big harmonious family.

'Frontrankers' Praised for Traits

SK3011114293 Pyongyang KCNA in English 1008 GMT 30 Nov 93

["Frontrankers in Beautiful Communist Traits, Honest People of Chuche-Type"—KCNA headline]

[Text] Pyongyang, November 30 (KCNA)—Now the Korean people live and make the revolution in the most glorious era under the guidance of the dear leader Comrade Kim Chong-il, says a by-lined article of NODONG SINMUN today, which reads in part:

The frontrankers in beautiful communist traits, human beings of our times, are true revolutionaries, people with the most beautiful and noblest ideas and spirit and highest [word indistinct] traits ever known in history.

The dear leader Comrade Kim Chong-il has said:

"The spiritual and moral traits of our people now are being displayed on the highest plane ever."

The characteristic of the new spiritual and moral traits of the people in our era is that they have a high sense of responsibility and spirit of devotion for the party and the revolution and warm human love manifested in dedicating all their blood and flesh to save their comrades, cherishing unfailing loyalty and filial piety to Comrade Kim Chong-il which constitute the core.

The frontrankers in beautiful communist traits, human beings of our times, are, above all, staunch and faithful revolutionaries who have acquired it as their unshakable creed to trust and follow the party and the leader.

Their unswerving conviction can be seen vividly in the pledge made by Pak Yong-chol and his seven brothers to become eight rifles and eight bombs defending Comrade Kim Chong-il, the supreme commander, with their lives.

The depth of the faith of the people in our era was clearly shown by the noble spiritual world of hero Han Yong-chol who covered a hand grenade with his body on the point of explosion to defend a portrait of the great leader President Kim Il-song and by the death of the skipper of a fishing boat on the west coast, a hero who opted to die, exalting his honor and dignity as a revolutionary soldier of the dear leader, rather than to be alive, suffering a disgrace at the hands of the enemy, and jumped overboard with a heavy leaden sinker attached to his body.

The frontrankers in beautiful communist traits, human beings of our times, are also true revolutionaries who displayed the noble spirit of devoting their all and sacrificing themselves for the party and the revolution, for the society and collective.

It is one of the traits of our people to always think of how to please the dear leader and do things worthier and more meaningful for the development and prosperity of the country and for the happiness of the people. It is a pride of our times, an irresistible trend of our society to volunteer to places of glory bearing great marks of on-the-spot guidance of the great leader and the dear leader and to do difficult and toilsome work.

The frontrankers in beautiful communist traits, human beings of our times, are honest people who set greatest store by and love man and do not hesitate to lay down their youth and lives for their comrades.

Such human love is fully displayed in our country. Some people sacrificed themselves to save their comrades from critical conditions, and a doctor donated his blood and flesh and even took pieces of conjuctiva from the eyes of his wife and children to recover a man and give a man the sight. Many girls voluntarily get married to disabled soldiers and all the people are helping disabled soldiers. Now, such practices have become a social trend.

The chairman of the management board of a sideline fishery workteam, displayed such a high self-sacrificing spirit as rescuing a daughter of his comrade first when he saw his own daughter also drowning.

The cheer "Long live man" now reverberating far and wide in our country precisely means a song of praise to the illustrious leader who created it.

Comrade Kim Chong-il whom our people call "the dear leader" with boundless feelings of intimacy and respect is the great fatherly leader who has brought up true human beings of our times.

Meeting of 'Frontrankers' Opens

SK0112045393 Pyongyang KCNA in English 0425 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—A national meeting of frontrankers in beautiful communist traits opened at the February 8 House of Culture here this morning.

The meeting, the first of its kind in Korea, will discuss tasks to consolidate the proud achievements in the training of communistic people of chuche type under the wise guidance of the Workers' Party of Korea [WPK] and develop this work in depth as required by the advancing reality.

The meeting is attended by O Chin-u, member of the Presidium of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea and Minister of People's Armed Forces, and Premier Kang Song-san and Vice-Presidents Yi Chong-ok and Pak Song-chol who are Politburo members of the C.C., the WPK and other senior officials of the party and the state.

Present at the meeting is a delegation of model workers of the General Association of Korean Residents in Japan (Chongnyon) led by Yi Ki-sok, department director of the Central Standing Committee of Chongnyon, on a visit to the socialist homeland.

Premier Kang Song-san conveyed a congratulatory message of the Central Committee of the WPK to the meeting.

Kye Ung-tae, Politburo member and secretary of the C.C., the WPK, made a report under the title "Let Us Exalt Korean-Style Socialism by Bringing Beautiful Communist Traits Into Full Bloom Throughout Society."

The meeting continues.

Premier Reads Message to Meeting

SK0112050093 Pyongyang KCNA in English 0420 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—Kang Song-san, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and premier of the Administration Council, read out a congratulatory message of the WPK Central Committee to the National Meeting of Frontrankers in Beautiful Communist Traits which opened here Wednesday.

The message says the National Meeting of Frontrankers in Beautiful Communist Traits is a meeting of loyalty which will demonstrate to the whole world the superiority and might of the Korean-style socialism centred on the masses by widely introducing the beautiful communist traits displayed among the Korean people under the guidance of the party, and a historical meeting which will mark an epochal occasion in further strengthening the indestructible unity and cohesion of the party and the people and dynamically advancing the revolutionary cause of chuche in compliance with the requirements of the developing revolution.

The message recalls that the respected leader Comrade Kim Il-song has always given definite precedence to ideological remouding in the whole course of the revolution and construction and created great examples of beautiful communist virtues of warmly loving the people and devotedly serving them according to the idea of "believing in the people as in heaven", raised it as the most important task to educate and remould people in a communist way after the comprehensive establishment of the socialist system and has energetically promoted it as a work of the masses themselves.

"Our party has valued sprouts of the communist deeds and traits displayed among the working people, actively put them to the fore and let all the people follow their examples, with the result that it has become a trend of the whole society to live and work in a communist way," says the message.

It notes that the frontrankers in beautiful communist traits are true revolutionaries who are discharging their duty and obligations as revolutionary soldiers with unfailing loyalty to the party and the leader, and true models of socialist working people who have displayed the spirit of boundless devotion and self-sacrificing spirit for the society, collective and revolutionary comrades with clean revolutionary conscience and noble virtues under the slogan "One for All and All for One!"

"It is a true feature of our country and our people who share the same destiny, the whole society forming one big family, harmonious and happy, that the entire people are united around the party and the leader in one mind and the people are fully displaying noble traits of sacrificing their lives for the collective and comrades, not seeking any reward and reputation.

"It is a great victory of the chuche idea and benevolent politics of our party and a brilliant fruition of its policy of education by positive examples that countless communist deeds have been displayed among our working masses and the number of frontrankers living and working in a communist way has increased steadily."

The WPK Central Committee in the message notes with high estimation that the frontrankers have performed great feats in making the society a pure and solid socio-political organism and developing and accomplishing the Korean-style socialism by displaying noble ideological, spiritual and moral traits with intense loyalty to the party and the leader and with warm love and devotion to the fatherland and people, to the collective and comrades.

KCNA Reports Further on Meeting

SK0112110893 Pyongyang KCNA in English 1017 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—Grand national meeting of frontrankers in beautiful communist traits opened at the February 8 House of Culture here today.

The meeting has been convened amid deep concern at home and abroad at a time when the entire people of the country are courageously fighting to smash the anti-socialist, anti-DPRK campaign of the imperialists and reactionaries and resolutely defend and exalt Korean-style socialism centred on the popular masses with the might of singlehearted unity under the wise guidance of the party and the leader.

The meeting, the first of its kind in Korea, will discuss tasks to consolidate the proud achievements in the training of communistic people of chuche type made under the wise guidance of the Workers' Party of Korea and develop this work in depth as required by the advancing reality.

Placed on the platform of the meeting hall is a portrait of the great leader President Kim Il-song.

Slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers' Party of Korea!" are hanging on either side of the platform.

Also seen in the hall are slogans reading "Let us become true loyal subjects and filial sons and daughters of the party and the leader!" "Let us bring beautiful communist traits into full bloom throughout society by giving full play to revolutionary comradeship and sense of obligation!" and "Let the whole party, the entire people and the whole Army unite in one mind and accomplish the socialist cause!"

The meeting is attended by O Chin-u, member of the presidium of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea and minister of People's Armed Forces; and Premier Kang Song-san and Vice-Presidents Yi Chong-ok and Pak Song-chol and Secretaries of the WPK Central Committee Kye Ung-tae and Han Song-yong who are Politburo members of the C.C., the WPK; and other senior officials of the party and the state, people from across the country who set examples in displaying communist traits and party propagandists in the capital and from local areas.

Present at the meeting is a delegation of model workers of the General Association of Korean Residents in Japan (Chongnyon) led by Yi Ki-sok, department director of the Central Standing Committee of Chongnyon, on a visit to the socialist homeland.

Premier Kang Song-san conveyed a congratulatory message of the Central Committee of the WPK to the meeting.

Kye Ung-tae made a report under the title "Let us exalt Korean-style socialism by bringing beautiful communist traits into full bloom throughout society."

A congratulatory group of the Korean children's union entered the meeting hall and recited a congratulatory message to the meeting.

Speeches were made.

The meeting continues.

WPK Official Delivers Report

SK0112113993 Pyongyang KCNA in English 1042 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—Kye Ung-tae, Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK], delivered a report under the title "Let us Exalt Korean-Style Socialism by Bringing Beautiful Communist Traits Into Full Bloom Throughout Society" at the national meeting of frontrankers in beautiful communist traits which opened at the February 8 House of Culture today.

He said the meeting, the first of its kind in the history of our Republic, would discuss tasks to consolidate the proud achievements registered in the training of communist human beings of chuche type under the wise leadership of the WPK and invigorate this work in keeping with the developing reality, so that it might be an important occasion in further consolidating the ideological, spiritual and moral foundations of our society and promoting the cause of socialist construction as a whole.

It is a great pride of the WPK and the people that the beautiful communist traits have become a trend of the time in the society and are displayed on a higher plane with each passing day, the reporter said, and continued:

This is a splendid reality the like of which can be seen only under the most superior socialism of our country where all the members of the society form one big revolutionary family, united in one mind, and work and live in a communistic manner, helping and leading each other forward to attain the common purpose and ideal under the guidance of the great leader and the great party.

The beautiful communist virtues and deeds displayed by our people are based on keen consciousness of their noble mission to the party and the revolution, to the country and the people and intense loyalty to them. This is an expression of the really beautiful and noble spiritual and moral traits of social beings that fully embody the chuche-based view of value and the revolutionary view of life which indicate to the people a true way of life and struggle, fundamentally different from the ethics and morality of the capitalist society where everything is decided by money.

The beautiful communist traits and deeds fully displayed among our people are a natural fruition of the gigantic cause of the training of communist human beings of a new type, the chuche type, which has constantly developed in depth for a long time under the leadership of our party, and the development of this work to a higher stage.

The great leader Comrade Kim Il-song said:

"On the basis of the collectivist principle 'one for all and all for one' all the members of the society are forming one big family and sharing their joys and sorrows helping and leading each other. This is an important characteristic and intrinsic advantage of our society."

The beautiful communist traits and deeds of our party members and other working people have struck their roots deep in the most superior anthropocentric socialism of our style which embodies the chuche idea, the great revolutionary idea with man placed in the center, and collectivism. So, they are revolutionary traits noblest ever in the world in their height and depth. Herein lies a basic characteristic of the beautiful communist traits of our people.

The reporter continued:

The frontrankers in the beautiful communist traits who are highly praised and respected by our people are true loyal subjects who regard loyalty to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, leaders of the revolution, as the greatest revolutionary morality and conscience and remain faithful to the cause of the party, sharing the destiny with them.

To remain unfailingly loyal to the leaders, think in accordance with their idea and intention and carry them into practice is the most conscientious, moral deed which glorifies the life of the revolutionaries. This is the view of life and morality which the frontrankers in beautiful communist traits possess. So, they could set an example in fully displaying self-sacrificing spirit and devotion, which is not easy for anyone, in holding the leaders in high esteem and defending their prestige and in the revolutionary struggle and construction for implementing the leaders' idea and intention with rare will.

They who regard loyalty to the party and the leaders as their life and soul have been faithful to their posts for twenty, thirty or forty years, irrespective of rank and occupation, in pits, fields, remote mountainous areas and oceans and unknown work sites, unnoticed by others, in season and out of season. They remain true to the intention of the party and the leaders all their life, not hoping for praise.

It is the mettle and features of the Korean people to rise up with redoubled vigor in the spirit of springing to support heaven and uphold the party and the leader with their lives, no matter how difficult the situation may be and what manifold ordeals may befall them.

The frontrankers in beautiful communist traits are true people of our times who cherish unfailing loyalty and filial piety to the party and the leader, and as it has such true revolutionary soldiers our party is great, our single-hearted unity is mighty and our revolution is triumphantly making a long drive.

They are staunch fighters and true patriots who are firmly safeguarding and eternally exalting the socialist homeland of chuche with immovable confidence in socialism, and paragons of communistic human beings of our era who are possessed of true collectivist viewpoint on life, making true comradeship pervade our society which has formed one big revolutionary family.

In our society where the leader, the party and the masses are united as an organism and share the same destiny, all its members are the same family living under the care of the party, and they are glorifying noble human relations, relations between revolutionary comrades placing the interests of society, the collective and comrades above their own and unsparingly devoting their all for them. In our country where all the people help and share sweets and bitters with one another as true revolutionary comrades and like real brethren, holding the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il in high esteem as their fatherly leaders, there are children who lost their parents or old men and women without children, but not a single orphan nor old man and woman roaming about and begging for food can be seen.

In our society it is regarded as the highest pride to become wives or husbands of disabled soldiers who dedicated their youth to the country and it is a common phenomenon, a beautiful social virtue to help and take warm care of the disabled soldiers. Many frontrankers in beautiful communist traits and other people have their daughters and sisters married to disabled soldiers, bringing true comradeship into full bloom.

The frontrankers in beautiful communist traits who have grown up in the bosom of the party and the leader are, indeed, true revolutionary soldiers of the party who are tending the large flower garden of human love in our society where the leader, the party and the masses, united in one mind and purpose, form a big revolutionary family, and true patriots who are more firmly consolidating the socialism of chuche with the victory of our new ethics, our-style morality, the reporter said.

The reporter stressed that it is a valuable fruition of the wise guidance of the party and the leader that beautiful deeds stirring the times are being displayed fully with each passing day and frontrankers in beautiful communist traits are steadily increasing in number in our country.

The dear leader Comrade Kim Chong-il, an outstanding statesman, has firmly united all the people including workers, peasants and intellectuals in a big revolutionary family with his popular politics, politics of unity and ushered in a great heyday of singlehearted unity unprecedented in the history of our country and, on this basis, brought into full bloom noble communist traits and beautiful deeds throughout the society, the reporter said.

The reporter elaborated on tasks to further expand and develop beautiful communist traits highly displayed among the Korean people in the whole society.

He said all the party members and other working people, frontrankers in beautiful traits should resolutely reject the reactionary ideology and culture of the imperialists and bourgeois way of life, more staunchly fight for the victory of the socialist culture, ethics and morality and prevent all manner of the capitalist trends of life and non-socialist elements that degenerate and erode the popular masses ideologically and spiritually, ethically and morally, from infiltrating into their inside.

No force on earth can break the might of our socialism, and our cause is invincible as the great leader indicates the road to victory in the van of the revolution, the great party wisely leads the people with its tested leadership and the leader, the party and the masses are united in one mind, the reporter stressed.

Dailies Hail Meeting Opening

SK0112053193 Pyongyang KCNA in English 0456 GMT 1 Dec 93

["Papers Hail National Meeting of Frontrankers in Beautiful Communist Traits"—KCNA headline]

[Text] Pyongyang, December 1 (KCNA)—Papers here today say that a national meeting of frontrankers in beautiful communist traits open here today is a historic meeting to consolidate the proud achievements in training communistic men of chuche-type under the wise leadership of our party and discuss tasks to develop in depth this work on to a higher stage in conformity with the requirement of the developing reality.

NODONG SINMUN in an editorial says:

The national meeting is, above all, a meeting of victors powerfully demonstrating the superiority and invincible might of our-style socialism making a long drive under the banner of the great chuche idea.

The meeting will clearly show what a noble height the ideological and spiritual world and moral traits of our people who are firmly armed with the great chuche idea and building the most superior socialism centred on the masses have reached.

It will be a historic meeting for bringing about a revolutionary turn in the struggle to further consolidate the ideological, spiritual and moral foundations of our-style socialism as firm as a rock, victoriously advance the revolutionary cause of chuche and carry it through to accomplishment.

The invincibility and bright prospect of our-style socialism lie in the solidity of the ideological, spiritual and moral foundations and in the singlehearted unity of the entire people around the party and the leader.

The meeting gives a great inspiration to the people who want to lead a dignifed and worthwhile life in socialist society with the most superior idea and morality and deals a heavy blow at the imperialists and all sorts of reactionaries who are preaching corrupt bourgeois view of value and morality which is based on egoism.

It is entirely the noble fruition of the politics of love and trust of the dear leader Comrade Kim Chong-il that our society has turned into a great revolutionary family and beautiful communist traits are in full bloom among our people.

MINJU CHOSON in an editorial says that it is a "meeting exalting the victory of the idea of our party on remoulding communistic men and a more significant meeting as it is opened on the 35th anniversary of the publication of "on communist education," an immortal classical work of the great leader Comrade Kim Il-song (November, 1958).

Radio Reports on KPA Meeting of Engineers

SK3011122193 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 26 Nov 93

[Text] A meeting of Korean People's Army [KPA] engineers took place at the 8 February Palace of Culture on 25-26 November.

The meeting reviewed the militant course full of victory and glory traversed by our engineer force under the leadership of the party and discussed tasks to bring about a new revolutionary turn in building up the ranks of engineers into loyal and filial ranks of single-hearted unity that will share the destiny with the party, the leader [suryong], and the socialist system forever and into one-a-match-for-100 combat ranks that can satisfactorily fulfill their missions in any combat environment.

Displayed at the front of the meeting place were the portraits of the great leader of our party and our people Comrade Kim Il-song and KPA Supreme Commander Comrade Kim Chong-il with red flags as their background. Slogans such as "Long live the great leader Comrade Kim Il-song!" and "Long live the honorable Workers Party of Korea [WPK]!" were positioned at the meeting place.

The image of Mt. Paektu, which symbolizes our party's honorable revolutionary tradition, of the cap badge of the KPA, and a sign reading "Meeting of KPA Engineers" were also displayed. The KPA flag and red flags on which "Single-minded unity," "Fortification," and "Reunification of the Fatherland" were written were also displayed. Slogans such as "Let us all become omnipotent one-a-match-for-100 engineers well versed with chuche-type methods of engineering!" were also seen.

Present at the meeting were Comrade O Chin-u, member of the Presidium of the WPK Central Committee Political Bureau, first vice chairman of the DPRK National Defense Commission, member of the party Central Military Commission, and minister of the People's Armed Forces; Comrade Choe Kwang, member of the WPK Central Committee Political Bureau, vice chairman of the DPRK National Defense Commission, member of the party Central Military Commission, and chief of the KPA General Staff; leading officers of Armed Force organs; commanding officers of the engineer force; and model engineers.

The meeting started with the chorus of "Song of General Kim Il-song" and "Song of the Dear Leader Comrade Kim Chong-il."

Comrade O Chin-u conveyed a congratulatory message of the WPK Central Committee to the KPA engineers meeting.

The congratulatory message points out that the WPK Central Committee extends warm congratulations to the participants in the meeting and all engineers of the People's Army for bringing about great achievements in strengthening combat readiness [chontu chunbi] in the field of engineering and fortifying the country with a high sense of loyalty toward the party and the leader [suryong] and a boundless spirit of devotion.

The congratulatory message stresses that under the wise leadership of the party and the leader [suryong], KPA engineers have waged the struggle to implement the party's policies by pooling all of their wisdom and energy and, thus, brought about great achievements in strengthening our People's Army into a one-a-match-for-100 revolutionary force.

The congratulatory message points out that engineers have built important roads and improved their equipment by highly displaying the revolutionary spirit of self-reliance and arduous struggle and, thus, positively contributed to significantly improve the maneuverability [kidongnyok] of units and achieving full combat readiness [manbanui chontu chunbi].

The congratulatory message points out that engineers have greatly contributed to preventing the enemy from recklessly sneaking into any place and to defending the socialist fatherland like a fortress, reliably protected small units in their units, and thoroughly prepared them to counter [taecho] modern warfare.

The congratulatory message stresses that in the struggle to fulfill the honorable revolutionary missions assigned by the party, the KPA engineers have become a loyal rank of chuche-type revolutionary soldiers, who defend the party with arms and fight for the party and the leader [suryong] by devoting their lives to them, and a powerful branch that can fully carry out any operational mission.

The congratulatory message points out that the WPK Central Committee highly appraises KPA engineers for their great achievement in strengthening the combat capability of the People's Army by upholding the party's leadership and excellently carrying out the lofty mission and duty they are entrusted with for the fatherland and the people. The message points out that the KPA engineers are faced with the heavy, but honorable task of further strengthening the combat capability of the engineers in conformity with the demands of modern war.

The congratulatory message stresses that engineers should bear loyalty toward the party and the leader [suryong] as their revolutionary faith and sense of obligation and should become the combat ranks of true loyalists, who resolutely fight for the victory of the chuche revolutionary cause with the firm faith to trust and follow the party and the leader [suryong] and to share destiny with the party to the end under all circumstances.

The message points out that engineers should further firmly establish the party's leadership system within the ranks, and thoroughly establish the revolutionary military discipline in which they unconditionally implement the order and instruction of the comrade supreme commander to the end, jumping into fire and water.

The message continues to point out that engineers should make firm preparations so that they can independently and skillfully carry out combat missions they are entrusted with in any difficult and complicated situation by vigorously carrying out combat and political training to become well versed with combat technology and equipment and to acquire deep chuche-oriented engineer tactics.

The message also points out that engineers should complete turning military positions into fortresses and complete their modernization at a high plane, should use all engineer equipment and facilities to prove their worth in the battles with the enemies, should establish chuche in scientific research work, and should vigorously carry out a mass movement for technological innovation so as to produce more engineer corps' technological equipment and facilities in conformity with the topographical conditions of our country and with the demands of modern battles and to further enhance their combat performance. Thus, engineers should reliably guarantee the operational and combat actions of units and their subordinate units.

The message points out the need for engineers to establish iron- willed discipline and order in units and their subordinate units, to thoroughly establish in them an appearance as a regular Army unit, to more properly establish noble traits as a revolutionary Army in them, to display heroic spirit in every socialist construction site, and to sincerely participate in their organizational life.

The message points out that the WPK Central Committee firmly believes that the engineer units of the KPA will outstandingly repay the party's deep trust and high expectation by effecting constant innovations in the rewarding struggle of the engineer units' combat readiness and for turning the whole country into a fortress under the party's leadership.

Comrade Choe Kwang made a report at the meeting. The reporter said: The KPA engineers' meeting is being held amid the formidable circumstances in which our people and officers and men of the People's Army are accelerating the general march for the consummation of the socialist cause and for national reunification under the revolutionary banner of the great chuche idea, while smashing the imperialists' allied forces and their stooges vicious antisocialist and anti-Republic maneuvers at every phase.

The reporter stressed that the meeting, which will be brilliantly recorded in the over 60-year history traversed by our revolutionary Armed Force, will be a meeting of loyalty displaying our engineers' firm trust and will to defend KPA Supreme Commander Comrade Kim Chong-il with their lives by making one's body as a fortress and a shield and that it will also be a historic turning point which vigorously inspires all KPA engineers to strengthen their combat readiness.

He pointed out that the proud course traversed by our engineer armed force is the history of the wise leadership of the great leader [suryong] and our comrade supreme commander, who have strengthened our engineers into powerful, one-a-match-for-a-100 engineer force and turned the fatherland into an impregnable fortress by putting forth unique military ideology and theory regarding the construction of engineer corps.

He said: The great leader Comrade Kim Il-song—who provided a firm foundation for the long-term plan for the construction of chuche-oriented engineer corps by fighting through the long and bloody road of the anti-Japanese struggle war—clearly formalized the engineers' role in battle as a key in attack and as a lock in defense for the first time in the world's military history and declared to the whole world the birth of an engineer armed force while strengthening and developing the Korean People's Revolutionary Forces into a regular army.

The reporter mentioned the fact that, in the heat of the fatherland liberation war, the great leader created unique engineer tactics such as tunnel tactics and aroused the engineers to heroic feats so as to contribute to hastening the advent of the day of the second liberation, and put his heart and soul to accelerate the fortification of military positions by creating the engineer forces cadre forces and modernizing them after the war.

He stressed that KPA Supreme Commander Comrade Kim Chong-il, who has outstanding military resources, thoroughly set forth chuche-based ideology and the theory of building engineering corps, perfectly presented principles and ways of fulfilling various services and duties of the engineer forces, and conducted energetic activities to strengthen and develop the engineer forces into specialized troops, each man a match for 100.

He pointed out that with ardent love and care, the KPA's comrade supreme commander led the engineer ranks to becoming the ranks of chuche-type revolutionary soldiers that are endlessly loyal to the party and the leader, intensified training so that all engineers are firmly prepared to become all-round one-a-match-for-100 engineers, and lifted the work of fortifying the country to a new higher level by modernizing technological equipment.

The reporter said that, under the wise leadership of the party and the leader, the engineering ranks established heroic feats which will shine for a long time in the fatherland history in the struggle to strengthen and develop the People's Army and to complete the socialists cause, and that he recalls with great pride the struggle course that shines with victory and glory.

KPA Supreme Commander Comrade Kim Chong-il has pointed out: In the past, our People's Army have made great achievements for the party and revolution by waging a heroic struggle to guard the party and the leader and to defend the gains of the fatherland and revolution.

The reporter pointed out the achievements in the engineer corps sector such as, first of all, the fact that the engineers ranks have been firmly built up into loyal and filial combat ranks of single-hearted unity rallied around the KPA's comrade supreme commander.

Saying that our engineers were brought up to become loyalists and dutiful children upholding and following the comrade supreme commander as the center of unity and leadership as a result of the vigorous implementation of organizational and economic work in engineer corps, he introduced the fact that they are doing their utmost to guarantee the well-being of the great leader and our comrade supreme commander and to adhere and add luster to the leadership achievements of the party and the leader.

He noted that conduct befitting a revolutionary soldier were being highly demonstrated among engineers as noted in the examples of hero Mun Chong-hwan who died in covering an exploding mine with his own body in order to save his comrades and those who lead silent faithful lives in the engineer posts with clean conscience at all times and at all places, ready to lay down their lives to implement the military mission they are entrusted with to the end.

He pointed out another achievement made in the engineer corps sector, namely, the brilliant feats of the engineers in turning the entire country into an impregnable fortress highly demonstrating the revolutionary spirit of self-reliance and fortitude.

He noted that the entire country has been solidified firmly as an impregnable fortress which no enemy dares to attack thanks to our engineers' ardent loyalty, high revolution-mindedness, and fortitudinous struggle with a resolve to turn themselves into a fortress and a shield for the party and the leader.

He said our engineers also contributed to building numerous great monumental creations by waging heroic struggles with the loyal slogan "What the party decides, we will do" at every battle site of the great socialist construction, including the construction of express ways.

The reporter said that the engineers have also attained success in strengthening combat readiness according to the requirements of modern warfare, and pointed out that they are fully prepared to reliably guarantee the advance of the units anytime and that they have been vigorously carrying out the struggle to continuously study and complete engineer tactics and actively accelerated the modernization of engineering equipment.

He noted that the party organization and functionaries in the engineer ranks have brilliantly implemented their honorable mission in the struggle to strengthen combat capability and combat readiness of the units, and stressed that the fatherland will not forget our engineers' feats achieved in the struggle to build the entire country into an impregnable fortress and to accelerate socialist construction.

The reporter said that the proud successes attained in the work of strengthening the KPA engineers are entirely the shining fruition of the wise leadership of the party and the leader and their benevolent love and consideration, and gave the greatest honor and the warmest gratitude to the great leader Comrade Kim Il-song and the KPA Supreme Commander Comrade Kim Chong-il with the boundless adoration and burning heart of loyalty.

The reporter said that we have today an important duty to defend firmly the socialism of our own style, to give full play to its indestructible vitality, and to achieve the country's reunification in the nineties at any cost. He then noted that the KPA engineers should brilliantly carry out the sacred mission entrusted to them in this rewarding struggle. He stressed that the KPA engineers should repay the party's great confidence in and expectations of them with loyalty by having the faith and will to become guns and bombs themselves for the comrade supreme commander overflow in the entire engineer ranks, continuously modeling the entire country into a fortress on a new higher plane, intensifying military training, and thoroughly preparing for combat mobilization, thus strengthening the might of the engineers in every way.

Debating at the meeting were KPA general-grade officers Yi Yong-hwan, and Kim Yong-sin; officers Kim Pong-cho, Yi Ki-pong, Ham Chang-son, Pak Ki-yol, Kim U-sam, O I-ho, Pak Tong-chung, Yun Yong-to, Kim Chong-ki, Kim Kong-mo, Kim Tal-on, Ko Kuk-chin, Ho Chong-hyon, Kim Sun-chol, and Chon Hong-su; sergeants Hwang Yong-chun, Chang Mun-sam, and Kim Chin-su.

The debaters proudly noted that under the wise leadership and warm love of the party, they have been brought up to be the chuche-type revolutionary soldiers and one-a-match-for-100 engineers and defended the defense line of the country like an iron wall. They expressed their determination to further strengthen the engineers' combat capability and combat readiness in conformity with the demand for imbuing the entire Army with the chuche idea and for modern warfare upholding the militant task set forth in the congratulatory message of the WPK Central Committee sent to the meeting. They said that with the greatest reverence for and absolute trust in the KPA Supreme Commander Comrade Kim Chong-il they will trust and follow comrade supreme commander and protect and defend him at the cost of their lives in any environment and under any conditions.

They noted that they will carry out the combat and political training effectively under the slogan "Training is combat" in an environment of real combat in order to prepare themselves more firmly to be all-around one-a-match-for-100 engineers, and brilliantly implement the party's policy of turning the entire country into a fortress, highly demonstrating the revolutionary spirit of self-reliance and fortitude.

They said they will establish firm military discipline and order in the engineer ranks, embodying the requirement of commanding and managing the units like that employed by the anti-Japanese guerrillas, highly exalting the traditional virtue of officer-enlisted men harmony, army-people harmony, and party-[word indistinct] harmony, and effect new innovations in the major socialist construction sites with the indomitable spirit of soldiers.

They stressed that they will strengthen the KPA engineers into the ranks of loyalists, the invincible ranks by more thoroughly establishing the revolutionary military ethos of absolutely implementing the comrade supreme commander's orders to the end in the units of the engineers and enhancing the party organizations' militant function and role, thereby actively contributing to defending the socialism of our own style, our people's life and lifeline, like a fortress.

The congratulatory group of the Korean Juvenile Corps entered the meeting place and chanted a congratulatory message to the KPA engineers' meeting. The meeting adopted the letters of pledge to the great leader of our party and people Comrade Kim Il-song and the KPA Supreme Commander Comrade Kim Chong-il. The participants in the meeting, waving party flags, Republic's flags, and red flags and vigorously chanting the slogans containing the pledges of wholehearted loyalty and filial duty, expressed their firm resolve to defend KPA Supreme Commander Comrade Kim Chong-il at the cost of their lives, they themselves becoming guns and bombs for him under any adversity and to defend the cause of our party and of socialism dependably with arms.

Kim Chong-il Sends Thanks To War Veterans

SK0112043393 Pyongyang KCNA in English 0407 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the veterans of the fatherland liberation war in Anak, Chaeryong and Sinwon Counties, South Hwanghae Province, who had made active contributions to agricultural production this year.

They themselves formed a sub-workteam of war veterans to cultivate new land and produced hundreds of tons of rice for the country.

At a meeting conveying the thanks, they said they would make loyalty to the party and the leader their faith, conscience, morality and part of their daily life, conscious of the duty of the war veterans whom our party values and puts up and let their sons and daughters remain loyal to the party and the leader.

WPK Central Committee Member Dies 30 Nov

SK0112052893 Pyongyang KCNA in English 0449 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—Kye Hyong-son, member of the Central Committee [C.C.] of the Workers' Party of Korea and deputy to the Supreme People's Assembly of the Democratic People's Republic of Korea, died on November 30, 1993, at the age of 66 after a long illness.

An obituary was released Tuesday by the C.C., WPK and the DPRK Administration Council.

According to the obituary, Kye Hyong-son has devotedly worked for the socialist construction, upholding the leadership of Comrade Kim Il-song, the great leader of the Workers' Party and people of Korea.

Working at important posts of various central and local units for many years, he has devoted all his energy and wisdom to carrying into practice the economic policies advanced by the WPK and made an active contribution to developing the nation's machine industry and consolidating the foundations of the self-reliant national economy.

He has remained unfailingly loyal to the party and the leader till the last moments of his life.

Kim Il-song Sends Wreath

SK0112112293 Pyongyang KCNA in English 1056 GMT 1 Dec 93

[Text] Pyongyang, December 1 (KCNA)—The great leader President Kim Il-song sent a wreath today to the bier of Kye Hyong-son, member of the Central Committee of the Workers' Party of Korea and deputy to the Supreme People's Assembly of the DPRK, expressing deep condolences on his death.

South Korea

Further on Possibility of Rice Market Opening

Minister Tells U.S. 'No'

SK0112011093 Seoul YONHAP in English 0052 GMT 1 Dec 93

[Text] Brussels, Dec. 1 (YONHAP)—Just two weeks from the Uruguay Round [UR] deadline, South Korea has again told the United States that it can by no means allow foreign access to its rice market.

Chon Chung-in, director-general of International cooperation and trade at the Agriculture, Forestry and Fisheries Ministry, made clear to his U.S. counterpart, Richard Schroeter, acting administrator of the Foreign Agriculture Service, that it was still "no" on rice opening either by tariffication or minimum market accesss in talks Tuesday.

Chon, in Geneva to explain Seoul's position on non-trade concern agricultural products, told Schroeter that Korea is prepared to accept three other principal farm products by minimum access but not by tariffication, while allowing tariffication on 11 other items. The three are likely to be from among hot pepper, onion, garlic, milk and dairy produce, or barley.

The U.S. negotiator was equally firm in stressing that there could be no exception to tariffication for conclusion of the UR pact. He differed on ways of tariffication on nine items according to the balance of payments provision of the General Agreement on Tariffs and Trade (GATT).

Chon continues bilateral negotiations with other major farming countries, such as Australia and New Zealand, until next week.

Negotiators Reiterate Stance

SK0112013893 Seoul KBS-1 Radio Network in Korean 0100 GMT 1 Dec 93

[By Paris-based correspondent Chi Chong-hak]

[Text] The ROK stressed its basic position that the rice market cannot be opened by any means in the working-level talks of the General Agreement on Tariffs and Trade, which is in its final stage. According to a relevant official at the talks, in the ROK-U.S. working-level contact early this morning in Geneva, the ROK reiterated its basic position that minimum market access as well as imposing tariffs on rice cannot be accepted. However, the ROK expressed its intention to open markets for other 11 items. The ROK and the United States also decided to agree on the two sides' basic positions by 6 December.

Delegation To Go to Washington

SK0112072993 Seoul YONHAP in English 0719 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—The government has decided to send a high-powered mission to Washington headed by Agriculture, Forestry and Fisheries Minister Ho Sin-haeng in a last-ditch effort to keep the rice market from being opened in the Uruguay Round of world trade talks.

Under the decision, made in a cabinet meeting presided over by Deputy Prime Minister Yi Kyong-sik on Wednesday afternoon, the mission will try to persuade the United States, as the nation that is playing the leading role in the farm trade negotiations, to pay special consideration to Korea's situation in negotiations on rice market opening and say Korea will cooperate in wrapping up the round by the Dec. 15 deadline.

The mission will leave as soon as a meeting is arranged with the U.S. administration.

On the mission are Kang Pong-kyun, assistant economic planning minister for international policy coordination; Son Chun-yong, assistant foreign minister for economic affairs; Yim Chang-yol, second assistant finance minister; Kim Kwang-hui, first assistant agriculture, forestry and fisheries minister; and Pak Un-so, first assistant trade, industry and energy minister.

Government Considering Concessions

SK0112021493 Seoul YONHAP in English 0157 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—The South Korean Government is cautiously studying whether it can make concessions to the United States in the financial and service sectors in order to save its rice market. Seoul is firm that it cannot accept tariffication nor minimum market access on rice and will stand by it, offering concessions in other fields if Washington presses for rice liberalization till the very end, a high-ranking official said Tuesday on condition of anonymity.

Agriculture, Forestry and Fisheries Minister Ho Sinhaeng flies to Washington this week and he will probably have this card up his sleeve, he said.

Korea will soon submit its country schedule on financial market liberalization, mapped out last June, to the General Agreement on Tariffs and Trade (GATT). But the government is said to be split over this measure, and a Finance Ministry official has said that it is unwise to link rice imports to financial liberalization.

May Propose 3-5% Market Access

SK3011230893 Seoul KBS-1 Radio Network in Korean 2200 GMT 30 Nov 93

[Text] According to diplomatic sources, the ROK and the United States will agree on the issue of opening the ROK rice market within a day or two. The sources say that the ROK will present a proposal of allowing a minimum market access of three to five percent in return of a six to 10-year tariff grace period. The sources also say that the agreement will be included in the final protocol of the Uruguay Round. However, ROK delegation for the talks avoided any comment on this.

DLP Chairman on Possible Opening

SK3011111493 Seoul YONHAP in English 1105 GMT 30 Nov 93

[Text] Kwangju, South Cholla Province, Nov. 30 (YONHAP)—Kim Chong-pil, chairman of the ruling Democratic Liberal Party [DLP] hinted at the possible opening of the country's rice market during a visit here Tuesday.

He was the first ruling camp leader ever to imply the possibility of rice market opening.

"We need the kind of efforts and wisdom to adapt ourselves to international trend after we took thorough steps to ensure there would be no sufferings on the part of farmers," Kim said.

Talking with DLP Kwangju chapter officials prior to attending a charity concert, Kim stressed that South Korea should cope with the rice market opening issue a little more wisely.

"The time has come for us to do more competitive farming while thinking of and coping effectively with future things," said Kim, stressing the importance of the wisdom of adaptation.

"We must hasten rural renovation programs so as to enable farmers to engage in farming aimed not at obtaining foods but at making money," he said.

DP Legislators Stage Sit-In

SK0112120693 Seoul YONHAP in English 1153 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—Ninety-six legislators of the opposition Democratic Party [DP], including party Chairman Yi Ki- taek, entered a sit-in at the National Assembly Wednesday [1 December] afternoon to resist possible rice market opening and to prevent the passage of the 1994 national budget and other controversial bills through the Assembly by the ruling party solons alone.

The sit-in began soon after bi-partisan leaders talks designed to discuss a proposed amendment to the Agency for National Security Planning Law and the government's rice purchase plan, broke up.

The party's Supreme Council decided to launch the sit-in in the belief that with the legal deadline for the passage of a new year budget bill only one day away, the ruling party, unable to enlist the opposition's nodding, may seek to anomalously pass sensitive bills.

The party teamed its solons into five emergency standby groups for posting at those Assembly committees which might be used in the railroading of controversial bills.

"Our sit-in will last at least until coming Saturday when our party will inaugurate an emergency committee against rice market opening," a DP leader said.

DP To Stage Protest Rally 7 Dec

SK0112061193 Seoul YONHAP in English 0545 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—The opposition Democratic Party [DP] will hold a rally and march to demonstrate its opposition to rice market opening in downtown Seoul on Dec. 7 jointly with farm groups and civic organizations.

"At any cost, the people must block all attempts to open our rice market," party Chairman Yi Ki-taek said. "The

DP will cooperate with farmers and social organizations to make a strong front against possible opening."

The Supreme Council of the party and DP lawmakers agreed to hold the rally to step up the opposition to rice imports in a meeting at the National Assembly on Wednesday morning. The party has instructed all district party chapters to recruit crowds for the rally and to actively cooperate with farm and civic groups for stronger resistance to rice market opening.

According to the party, the rally will be followed by a march along the 5-kilometer route from Changchung Park to Marronnier Park. It will be the first rally organized by the opposition party since President Kim Yong-sam was inaugurated in February.

A committee, headed by Yi, will be formed Saturday to work out tactics to block rice imports.

Farmers Stage Hunger Strikes

SK0112085293 Seoul YONHAP in English 0833 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—Resistance to possible rice market opening and protests at the price the state plans to pay farmers for their rice crops this year expanded Wednesday in South Cholla Province. Over 1,000 farmers gathered in front of a bus terminal in Kohung County and a cattle market in Yonggwang County in mass meetings to oppose pressure for rice market opening and the government's way of purchasing rice.

A farm organization said they would launch a strong nationwide campaign jointly with civic organizations and students to tell the government not to yield to foreign pressure for lifting a ban on farm imports in the Uruguay Round of world trade talks. Joining the farmers rally were members of Namchongnyon, the Federation of Students' Associations in Universities in Kwangju and South Cholla Province.

In Naju, farmers decided to protest against rice market opening by refusing to sell their rice to the state at the government prices, by returning agricultural implements borrowed from the government on Monday, and by paying their bills with farm products on Dec. 11.

On Monday, farmers piled thirty 80-kilogram sacks of rice in front of the Naju agricultural cooperative. They have moved their demonstration to a nearby elementary school for the third day of protests.

Three senior officials of the South Cholla Province Association of Successors to Farmers and Fishermen are on a hunger strike in their office in Kwangju City and haven't taken solid food for three days. Some farmers from Yonggwang County said they planned to join the fasters later Wednesday.

Pae Chong-yol, a former chairman of Chonnong, the National League of Farm Associations, is on the fourth day of a hunger strike in the Muan County Farmers' Association office in South Cholla.

DPRK Ambassador to PRC Denies Premier To Visit

SK0112125093 Seoul KBS-1 Television Network in Korean 1230 GMT 1 Dec 93

[Text] North Korea has officially denied a rumor circulating that North Korean Premier Kang Song-san is planning to visit China. Chu Chang-chun, North Korean ambassador to China, held a news conference on the morning of 1 December and said that foreign reports regarding Premier Kang Song-san's planned visit to China are lies.

North's Report of 'Aerial Espionage' Cited

SK0112103393 Seoul YONHAP in English 1027 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—North Korea asserted on Tuesday that the United States committed air spying on the North Korean area about 200 times in November. According to the NAEWOE PRESS, Pyongyang Radio-Television claimed that the Untied States engaged in extensive air spying on the "Northern half of the Republic" in November by mobilizing various reconnaissance planes.

Quoting military sources the broadcast said the planes used included RC-135 strategic reconnaissance planes and E-3 early warning planes from overseas bases and U-2, RV-1, RC-12, RF-4c and EH-60 reconnaissance planes in South Korea.

"The acts of air spying were committed as many as about 200 times in November and the various reconnaissance planes used numbered about 180," it said.

The United States flew U2 high-altitude reconnaissance planes alone about 30 times in November to indulge in photo-taking of or electronic spying on North Korea's strategic bases and facilities, NAEWOE quoted the broadcast as reporting.

Ministry Denies Former U.S. Envoy's Remarks

SK3011054693 Seoul THE KOREA TIMES in English 30 Nov 93 p 9

[By staff reporter Yi Chang-sop]

[Text] The Ministry of Finance [MOF] yesterday expressed regret over former U.S. Ambassador [Amb.] to Korea Donald Gregg's "misinformed" statement over the foreign investment climate here.

It said Gregg's casual but misinformed statement may scare away potential investors from Korea and sour the nation's relations with not only the United States but also with other foreign countries.

The MOF appears to be making a sensitive reaction to remarks made by Gregg, who is no longer part of the U.S. government but many MOF officials said they have enough reason to rectify the factual error, just to invite as many foreign investors as possible to Korea and not to invite foreign misunderstanding.

In a meeting with Korean journalists in New York early this month, Gregg was quoted as having indicated that "Korea's excessive regulations and bureaucratic red tape have prevented the U.S. in-flight catering service firm Marriott International Corp. from establishing a factory in Korea."

He made the remark that even after four years after Marriott's application, it failed to construct a factory in Seoul near Kimpo International Airport.

But MOF officials said Gregg's remark is an exaggeration that frustrated Korea's push for improving the foreign investment climate.

According to MOF data, Marriott was given the greenlight to invest 1.7 million dollars in Korea on February 11 in 1988, two months and 10 days after it filed an application with the Ministry of Finance.

But the trouble began when it wanted to construct a factory near Kimpo airport, where factory construction is prohibited by a Seoul City ordinance. It is also a "greenbelt zone" where factories can not be built except for purposes for promoting public interests.

Partly due to U.S. pressure at the behest of then U.S. Amb. to Korea Gregg and not to sour Korea-U.S. relations, the government bothered to revise the law in June 1989, to pave the way for Marriott to construct its factory on the "greenbelt zone."

Following the revision of the law, the Kangso District Office issued a license to Marriott for the construction of the factory in September 1991.

In the words of MOF officials, Seoul took whatever steps to accommodate Marriott's request even by rewriting the law.

When Marriott was given the license, it sent two letters, one in December 31, 1991 and the other in July this year to the Seoul Airport Authority and the MOF for the delay of the construction of its factory."

In the letters, Marriott expressed apology for delaying construction due to emergence of new factors. As the Korean government unveils plans to construct the new international airport off Inchon, Marriott found it more attractive to build a factory near the new airport, not near Kimpo Airport.

Marriott also said "due to ongoing deliberations about Korean factory construction among its executives, it can not construct the Kimpo factory as was originally scheduled."

From 1988 through 1991, Marriott was unable to construct its factory due to Korean laws and regulations, not bureaucratic red tape, MOF officials said. From 1991 through today, it was Marriott that voluntarily decided to put off construction, they said.

But Gregg made the indication as if Korean bureaucrats are intentionally delaying construction, MOF officials said.

Assistant Finance Minister Yim Chang-yol, who is in charge of international affairs, said, "I was shocked to hear the misinformed statement by the person who was once the ambassador to Korea." He added that it is not appropriate for Mr. Gregg to find fault with what he said was Korea's over-regulated investment climate.

He noted that "we even revised the law to accept Marriott's construction of its factory." Gregg's casual remark may negatively affect potential foreign investors, U.S. policy makers and foreign businessmen here, he said.

He questioned whether the United States would revise its law to permit a Korean firm to build a factory near the Dallas Airport.

Many government officials said Gregg, who is chairman of the Korea Society, which is funded by Korean enterprises, should play the role of stimulating Korea-U.S. economic relations, not spoiling the bilateral friendly relations.

I am not criticizing Gregg himself but his factual error, they said. [sentence as published] By citing one wrong example, Gregg unduly projected the impression that "foreigners should not invest in Korea where bureaucratic red tape and over-regulations are prevalent," many MOF officials said.

A responsible Korean person would not underestimate the dedication of the 30,000-strong U.S. servicemen here in the defense of Korea by citing a U.S. soldier who raped and killed a Korean woman, they said. In the same token, a former U.S. diplomat is not in a position to pick one case and oversimplify or distort Korea's dedication to improving the foreign investment climate, they noted.

Just months ago, American businessmen here embarrassed the Korean government.

U.S. petrochemical maker Arco said "its primary reason behind its withdrawal from Korea, was the difficulty in getting financing from the parent company."

Upon hearing the onesided complaint, U.S. policy makers expressed "anger" whenever they meet their Korean counterparts.

But according to the MOF view, Arco severed its partnership with Yukong Ltd. because of its accumulating losses, not due to its inability to get financing.

Arco's debt ratio was 781 percent [as published] in 1991, which is a vivid illustration that it borrowed too much.

According to MOF officials, it is a hard time for Korean bureaucrats. "We are a political football," said one government official in Kwachon where the integrated government complex is located.

Politicians, businessmen, the media and even foreigners described "us as hindrances to Korea's internationalization even by citing misinformed cases."

When Washington and foreign businessmen complained to Korean bureaucrats, we also have complaints against them, one MOF official said.

The only difference is that "they can talk very loudly but we can not," he said.

For the past three to four years, Korea has made great progress in liberalizing, internationalizing and opening the domestic financial market although there was one step backward before taking ten steps forward, he added.

Despite such progress, "the U.S. Treasury Department issued the same negative statements over Korea's financial market," he added. "If you carefully look into the U.S. Treasury's semi-annual reports to the Congress on International Economic and Exchange Rate Policy, you will find more than 75 percent of its contents remain unchanged," he said, adding that it is a carbon-copy of the previous report.

The same statement may originate partly from U.S. officials' laziness in following Korea's progress or an intentional U.S. strategy to further open the domestic market, many observers here said.

There is pressure among junior MOF officials that Korea should also issue an annual report to help Korean financial institutions clear away barriers they face in their U.S. operations.

1990 Guideline To Be Applied to Kwangju Victims

SK0112121293 Seoul YONHAP in English 1157 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—The government on Wednesday decided to apply a previously set guideline to compensating those victims of the 1980 Kwangju uprising who haven't been indemnified yet. An ad hoc committee chaired by Prime Minister Hwang In-song decided that under the guideline prepared in 1990, 116 million won will be paid to each of those killed or missing and 58 million won to an injured person on the average.

Besides, those who were detained or imprisoned for their part in the tragic uprising would each be paid 8 to 69.5 million won depending on the duration of detention or imprisonment.

During the period of last June and July which the new government set for receiving additional reports on the victims of the Kwangju incident who were not previously reported and compensated, a total of 2,750 cases were reported.

The total included 16 alleged deaths, 118 persons missing, 1,478 persons injured, and 1,138 people detained or imprisoned.

"We will determine the authenticity of the reports by the middle of this month before paying out compensation," an official of the prime minister's office said.

Russian Official on Compensation Proposal

SK0112094193 Seoul YONHAP in English 0907 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—Russia turned down South Korean compensation proposal for its old legation site in Seoul Wednesday, saying the offered amount is insufficient.

Nikolay Solovyov, visiting head of the Asia-Pacific Department at the Russian Foreign Ministry, told YONHAP that he tabled a "new proposal" in his meeting with South Korea's Assistant Minister Sin Ki-pok on Seoul's compensation for the legation site nationalized back in 1970. The Russian official said that in his opinion, North Korea was "far" from developing nuclear weapons and that Moscow supports Washington-Pyongyang dialogue.

Russia is ready to join the trilateral negotiations among South Korea, Japan and the United States on North Korea's nuclear issue and also ready to join China-U.S. negotiations on the matter.

Foreign Ministry officials said Seoul offered 900 million won, the market price for the 6,000 pyong of land at the time of nationalization, plus 5 percent interest rate, but Solovyov and other Russian officials have repeatedly protested the amount is insufficient.

Solovyov came to Seoul to attend a joint seminar between Russia's IMEMO (Institute of World Economy and International Relations) and South Korea's IFANS (Institute of Foreign Affairs and National Security) earlier this week.

Moscow had maintained a legation in Seoul until the diplomatic severance in 1946. The site was nationalized in 1970, half of it now turned into a public park. The two countries agreed last August that Seoul will compensate Moscow for the land and suggested the 900 million won figure.

Solovyov said he brought "a new proposal" on the compensation issue but refused to go into details, only saying that the matter is "very sensitive."

On North Korea's nuclear issue, the Foreign Ministry official said Russia did "cooperate with (North Korea's) nuclear reactor on grounds that it can be used for peaceful way."

Asked how far Moscow believes North Korea is in its nuclear program, Solovyov said in his personal opinion, the communist state is "very far from having nuclear weapons."

There are questions about how much plutonium North Korea has, he said.

"We are giving our best efforts for reentering North Korea to Nuclear Nonproliferation Treaty, to keep North Korea as a member of the Treaty," said Solovyov.

Russia "is ready to join consultations among South Korea, Japan, United States...ready to participate in U.S.-China consultations," he said.

Ministry: Russia Nuclear Dumping Had No Effect

SK3011095393 Seoul YONHAP in English 0901 GMT 30 Nov 93

[Text] Seoul, Nov. 30 (YONHAP)—Russia's dumping of nuclear waste into the East Sea (Sea of Japan) seems to have had no effect on marine life in the area, the Science and Technology Ministry said on Tuesday.

The research ship Onnuri-ho examined the water, sea bed and fish, but found only slight radioactivity, Director-General of Nuclear Safety Yi Song-ku said.

The radioactivity like cesium-137 is not believed to come from the nuclear waste but is more likely to be fallout from the frequent nuclear tests carried out by the United States and Soviet Union in the 1960s, Yi said.

The ministry, the Fisheries Administration and four nuclear-related research institutes participated in the investigation.

More specific results will come out in late December, Yi said.

Meanwhile, scientists from South Korea, Japan and Russia are having discussions Monday through Thursday in Vladivostok on ways to investigate ocean pollution.

A joint investigation mission with 32 members from the three countries and the International Atomic Energy Agency will begin work in January next year.

President Talks With Business Leaders 1 Dec

SK0112083393 Seoul YONHAP in English 0801 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—President Kim Yong-sam called on the need for the nation Wednesday to push ahead with changes and reforms and enhance its international competitiveness in order to survive the international competition of the 21st century.

Meeting leaders of major economic organizations over lunch to explain his recent visit to United States, the chief executive asked for the business community to do its best to strengthen its industrial competitiveness.

The guests were Kim Sang-ha of the Korea Chamber of Commerce and Industry, Choe Chong-hyon of the Federation of Korean Industries, Pak Yong-hak of the Korea Foreign Trade Association, Yi Tong-chan of the Korea Employers' Federation, and Pak Sang-kyu of the Korea Federation of Small Business.

Korean industry, forced to do battle with the world's mightiest corporations, must do its utmost to strengthen the competitiveness of its products, Kim told his guests.

"Develop new technology, make the best products in the world, and beef up sales strategy," he advised them. He asked for all efforts to produce a state of equilibrium at least, or even a surplus of 100 million U.S. dollars or 200 million dollars, in the balance of payments this year, Presidential Spokesman Yi Kyong-chae said.

Kim named stable industrial relations as the key to winning the international competition and told the business leaders to do their best to make peace between employers and their employees.

Yi said talk at the meeting was limited to ways of boosting competitiveness and did not touch on the arrest of Kim Sung-yeon, chairman of Hanhwa Group, on capital flight charges.

Officers Reprimanded in Military Secrets Case

SK3011075093 Seoul YONHAP in English 0649 GMT 30 Nov 93

[Text] Seoul, Nov. 30 (YONHAP)—The Defense Ministry reprimanded or warned Tuesday six field grade officers for their involvement in a Navy lieutenant commander's passing of military secrets to a Japanese journalist.

Ko Yong-chol, since discharged from the Navy, was arrested in June and charged with giving Fuji Television correspondent Masato Shinohara military secrets, which Shinohara used in articles that he contributed to Japanese military journals.

Two Army lieutenant colonels, one of whom is surnamed Yi, were reprimanded for passing the secrets to Ko.

And four Army colonels, including one who was head of situation room of the Joint Chiefs of Staff at the time and all of whom were senior to Ko, received warnings for failing to properly supervise a junior officer.

No action was taken against four other people since two gave Ko material that was not confidential and the statute of limitations has run out for the other two, who are colonels.

Warrant Requested for Hanhwa Group Chairman

SK3011130393 Seoul YONHAP in English 1148 GMT 30 Nov 93

[Text] Seoul, Nov. 30 (YONHAP)—The prosecution on Tuesday afternoon sought an arrest warrant against Kim Sung-yeon, chairman of the Hanhwa Business Group.

Kim had been questioned by the Central Investigation Department of the Supreme Public Prosecutor's Office on charges of foreign exchange flight.

The businessman was also accused of employing an unlawful means in disposing of illicitly raised "secret company funds" deposited at banks under false- or borrowed-name accounts.

An official of the Investigation Department said questioning of Kim had revealed that he deposited 6.5 million dollars at a Hongkong bank in 1979 after the money in a commission fee was refunded to him from a Saudi Arabia construction middleman.

He is suspected of buying a large house in Los Angeles, U.S., with the money in 1992, the official said.

Foreign Investment Fund Inflow Increases in Nov

SK3011095293 Seoul YONHAP in English 0857 GMT 30 Nov 93

[Text] Seoul, Nov. 30 (YONHAP)—The inflow of foreign funds for investment on the stock market is increasing sharply.

Inflow in the first 29 days of November was 1,044 million U.S. dollars and outflow 209 million dollars for a net inflow of 835 million dollars, compared with 808 million dollars for the whole of October, according to the Bank of Korea on Tuesday.

Net inflow reached 500 to 600 million dollars a month between March and June, fell to 199 million dollars in July and 146 million dollars in August, and then increased to 294 million dollars in September.

A rush to preemptive investment in issues, especially blue chips, rapidly nearing their foreign investment ceilings and the bright prospects for the Seoul bourse are credited with the sharp increase in foreign investment fund inflow.

Inflow this year as of Nov. 29 totaled 4,977 million dollars, more than double last year's 2,073 million dollars.

Trade Records $114 Million Surplus in Nov

SK0112111193 Seoul YONHAP in English 1024 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—South Korea's trade registered a surplus of 114 million dollars in November. It was a third straight monthly trade surplus. Figures available at the Trade, Industry and Energy Ministry on Wednesday showed that exports reached 7,370 million dollars and imports 7,256 million dollars in November. The November exports represented a rise of 11.2 percent over the corresponding month of last year.

A Ministry official foresaw that the year's exports would total about 82.8 billion dollars, 700 million dollars less than the 83.5-billion-dollars exports goal. By item, the exports of heavy and chemical industrial products jumped 15 percent over a year before while the shipment of canvas shoes, toys, textile products, containers and petroleum products was sluggish.

The official said the first two-digit expansion of exports in ten months may well point to the full-fledged recovery of the country's exports performance. The letters of credit that arrived in the first 25 days of November showed an increase of 13.7 percent over the like period of last year, forecasting a bright exports prospect in the year-end season, he said.

Car Makers Post 40% Rise in Jan-Nov Exports

SK0112080493 Seoul YONHAP in English 0732 GMT 1 Dec 93

[Text] Seoul, Dec. 1 (YONHAP)—South Korean automakers are smiling at their record-breaking success abroad and a 40-percent jump in exports this year. Exports skyrocketed 66.5 percent in November to 73,849 motor vehicles, posting the highest increase since 1989. Comparable figures in the previous month were 33.1 percent and 62,488 vehicles.

The January-November figure of 548,679 automobiles is a gain of 40.5 percent and compares to 456,153 for all of last year.

Industry sources predict that exports will hold steady at nearly 70,000 in December, ensuring the first year over 600,000. Domestic sales in November numbered 117,446, up 6.9 percent from a year earlier but down from 133,000 in September and 124,000 in October. The decline was caused by a sharp reduction in car sales with interest-free installments.

* Diplomatic Corps Gets New Code of Conduct

942C0011A Seoul CHUGAN CHOSON in Korean 7 Oct 93 pp 30-32

[Article by reporter Pak Tu-sik]

[Text] A strange-sounding document called "Code of Conduct for Overseas Mission Chiefs" was circulated "secretly" among the leading Foreign Ministry officials. At a glance the title of the document reminds one of a recruit training center because there are so many standing orders diverse in content and form, including "the Spirit of Soldiers" that all recruits are forced to memorize while in their training centers.

Almost all of the high-ranking officials of the Foreign Ministery directly or indirectly took part in preparing the code of conduct, and this is surprising because regulating the behavior of diplomats by a written code seems inconsistent with the traditionally free atmosphere of the diplomatic community. Since it came to light that it was Vice Minister Hong Sun-yong, the person in overall charge of administrative matters concerning our diplomats, that drafted the code, all kinds of speculation sprang up regarding this document.

Currently, the Foreign Ministry is withholding the distribution of this code, which it has recently worked out, to the more than 140 overseas mission chiefs and ambassadors lest there should be some unexpected repercussions if it is distributed before the shock of the disclosure of properties owned by public officials subsides. The Foreign Ministry plans to distribute copies of this document to overseas mission chiefs about early October when the aftermath of the property disclosure is expected to die down. They say this is the first time the Foreign Ministry has ever prepared a code of conduct. To tell those diplomats who have served an average of more than 25 years to observe a certain code of conduct seems to be arbitrary.

However, to exaggerate a bit, the high-ranking officials who prepared the document are hard pressed. It may sound paradoxical, but the fact that they are withholding the distribution of the code of conduct to avoid giving the impression that it has something to do with the aftermath of the property disclosure, in a way explains why the code has been prepared. The Foreign Ministry currently finds itself in hot water within and without. Some Foreign Ministry officials say—and it may sound somewhat hyperbolic—that the ministry is faced with the third crisis since its inception. According to them, the authority and morality of the Foreign Ministry has been so seriously undermined amid the current reform drive, including the obligatory property disclosure, that the crisis is comparable to the wholesale purges and replacement of diplomats with military officers in the wake of the 16 May 1961 and 17 May 1980 military coups.

In the past six months the Foreign Ministry has been pushing its own reform, including the revamping of the system of resident officials assigned by other ministries attached to diplomatic missions, and the appointment and retirement systems for diplomats. All these reform tasks are the ones that diplomats long regarded as matters that need to be corrected without fail" during the 30 years under the military rule. Nevertheless, these tasks fall within the category of institutional reform. As people began to look at diplomats in an unfavorable light upon hearing reports about their excessive possession of properties, voices calling for self-rectification rose among diplomats themselves. It is not clear which came first, the disclosure of property or the preparation of the code of conduct, but the code has been prepared in response to these voices.

The code of conduct for overseas diplomats is a classified document. The Foreign Ministry has no intention of making it public because it is an internal guideline. Reportedly, the code consists of about ten provisions calling upon diplomats to: Treat employees as dignified human beings; keep in mind that they do not simply represent the Foreign Ministry but represent the whole government and do away with deparmental egoism; keep the financial records open so as to leave no room for suspicion; concentrate on studies of various diplomatic issues and conduct thoughtful diplomacy; expand the range of activity so as to meet not only foreign ministry officials of the host countries but also the heads of various ministries.

Foreign ministry officials until now have often blamed other ministries, but these provisions indicate a change in the attitude of these officials and shows that they have moved one step closer to modesty. Explaining the background against which the code was prepared, Vice Minister Hong Sun-yong said: "Overseas diplomats are under visible and invisible pressures by overseas Koreans and embassy employees to behave like a man of character... The code has been prepared to make them conduct the affairs of their missions by keeping that demand in mind." The most noticeable thing in the code is that it puts stress on the necessity of maintaining harmony among the personnel, including the resident officials stationed by various ministries. Ambassadors have their status as "special envoys of the head of state." For this reason, in the early days when monarchy was the dominant ruling pattern, diplomats were selected only from among the privileged class of aristocrats. Under contemporary diplomacy the meaning of diplomats has been expanded. With the spread of democracy, diplomats were given a more positive role of being "envoys dispatched to their host countries to represent the people and the state." But on many occasions our diplomats were unable to go beyond the narrow confines of being "members of the Foreign Ministry." It was due to this passive stance that mission chiefs were unable to control resident officials from other ministries and limited their contacts to foreign ministry officials of their host countries. Needless to say, a considerable number of diplomats have drawn a high encomium for their energetic activities. But reportedly, some diplomats were so concerned about maintaining their positions that they did not even host a single dinner party for the whole year.

The code of conduct also stresses the need for shifting to active diplomacy. For instance, it calls for a studious attitude, the expansion of the range of diplomatic contacts, and the aggressive promotion of activities dealing with overseas Koreans. Take activities for overseas Koreans for instance, the code urges that diplomats listen to the voices of overseas Koreans about their difficulties and provide necessary assistance, but resort to legal means in dealing with arbitrary actions. As exhibited by the Black riot in Los Angeles last year, Korean residents, not well adapted to the local condition, often demand assistance from the home government, instead of trying to settle down for good. On many occasions overseas Koreans persistently demand that the home government intervene in all kinds of troubles they encounter in the countries they reside. This phenomenon was one of the chronic diseases afflicting our diplomatic community since the foundation of our republic. Overseas Koreans sometimes applied pressure by staging a recall movement when they find the field diplomatic mission chiefs not to their liking. As a result, diplomats were busy trying to read the minds of overseas Koreans. The code makes it clear that the mission will take legal actions against this kind of arbitrary moves. As a prior requirement, the code calls upon ambassadors to show their moral character to the fullest extent.

On 23 September, when the Foreign Ministry was busy preparing the code of conduct, the office of the Blue House secretary for civil affairs announced the the results of the 15-day inspection of 17 overseas missions during the latter part of July. As a result, the system of stationing resident officials from other ministries were revamped by drastically reducing their numbers and lowering their ranks to correspond to the ranks of diplomats. The revamping of this system was a long-standing demand of overseas diplomats. But the focus of attention in that announcement was on the disclosure that the Blue House took action against four diplomats. After listening to the opinions of junior officials and overseas Koreans, the Blue House inspection team took action against the four for these reasons: Insufficient activities in trade diplomacy; a passive work attitude; and a lack of enthusiasm for reform. However, as the Foreign Ministry contends, for an inspection team which is not familiar with diplomacy to pass judgment on diplomatic activities is obviously unreasonable. But in fact, the four officials, including a certain H and a certain Kim, are said to have been the subject of controversy in the Foreign Ministry for their passive attitude.

The Foreign Ministry is also troubled by the criticism that it is trying to narrow the range of officials who will be subject to disciplinary action in connection with the disclosure of properties they own. The criticism was touched off when the ministry changed its original plan to recall five or six ambassadors and reduced the number to only one. According to Foreign Ministry sources, the ministry thinks it better to move up the regular year-end reshuffle schedule and replace them at that time to avoid protocol problems with the host countries that may arise if they are to be openly recalled. In fact, Foreign Ministry officials are very unhappy about being stereotyped as unethical civil servants despite the fact that no one accumulated a fortune by abusing power or used any information acquired by way of his official position. But with very few people lending their ears to this contention of the Foreign Ministry, diplomats feel all the more lonely.

In its drive for a revision of the Foreign Service Law, Foreign Ministry officials recently had consultations with the Democratic Liberal Party (DLP), during which they were alarmed once again at the negative image DLP officials had of foreign service personnel. DLP officials unconditionally demanded that the ranks of foreign service personnel be adjusted downward, that the ranks of ambassadors that are currently divided into Grade 1 and Grade 2 be combined into one grade, and that the size of foreign service personnel be reduced drastically. These circumstances have aggravated the sense of crisis on the part of diplomats beyond imagination. Accordingly, the code of conduct for overseas mission chiefs may be interpreted as an effort for self-salvation by the Foreign Ministry.

It appears that our diplomatic community has lost its vitality somehow. Particularly, while pursuing North-South confrontation diplomacy in the seventies and eighties, our diplomatic network grew only in form. But some insiders say that in terms of the makeup of its personnel and the quality of the diplomats, the ministry became anemic. As late as the 1970's the Foreign Ministry issued directives each year to encourage diplomatic activities in the United Nations to counter the moves of North Korea, as well as activities designed to promote trade. In other words, the Foreign Ministry was accustomed to taking short-term measures in the cold war framework. But following the fulfillment of the goals of our Northern Policy, which may be regarded as the climax of short-term victory, our diplomats soon came under civilian government before having time to weigh the changes in the international situation.

Under these circumstances, the controversy over the morality of diplomats has arisen, throwing the leading Foreign Ministry officials into an acute state of listlessness. The code of conduct, which will soon be distributed, is an effort for self-help on the part of the Foreign Ministry. But it will be quite some time before success or failure of the code can be assessed.

* Paper Profiles Blue House Chief of Staff

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[Article by SEGYE ILBO reporter Yun Chang-chung]

[Text] President Kim Yong-sam is full of "fighting spirit." To use his own expression, he is influencing every one with his energies.

He is obsessed with a sense of urgency, the thought that if he should make one wrong move, it might bring down the whole country. His intimate aides who look on him at close quarters unanimously point out, "He seems determined to become a president who will be long remembered in history."

The close aides are not the only ones who are worried. President Kim's wife, Mrs. Son Myong-sun, is also "worried" about him. Some time ago when the couple were by themselves, the first lady said, "I am worried because you seem to be working too hard." In response, President Kim said bluntly, "It is do or die for me. I might die, so what?"

I received a call from WOLGAN CHOSON on 27 August asking me to write an article portraying Blue House Secretary General Pak Kwan-yong, who is "hidden" behind President Kim.

Chongwadae reporters have little opportunity to meet with Secretary General Pak on a one-on-one basis. The primary reason is that he is too busy. There are two ways to meet him. When reporters are gathered "in droves" in his office making noise for about 30 to 40 minutes, he steps out of the room for a while as if he got tired of the noise. That provides a brief chance to exchange a few words with him.

Another way is to follow him for 2 to 3 minutes when he steps outside and walks toward his car for a lunch or dinner engagement. Either way, it is not so easy to have a chance to talk with him, though it is the job of reporters to collect news at its sources.

Therefore the request of WOLGAN CHOSON was not so welcome. I felt that the "impressions" a reporter gets from such brief encounters on occasions were not enough to do the weighty task of writing an article portraying the Blue House secretary general. I could write about "Pak Kwan-yong as a National Assembly member." But frankly speaking, I did not know much about "Pak Kwan-yong as the president's secretary general." Nevertheless, WOLGAN CHOSON's plan was firm.

Previously, Secretary General Pak turned down all requests for interviews by national daily newspapers; literally he was hidden from the press. I first let his secretaries know of the newspaper's plan to write an article about him and "notified" them of some details of my plan. First, I told them that I would write an article about the Blue House secretary general no matter what, even if I had no chance to meet him face-to-face. Second, if I would not be given an opportunity to talk to him, the content of the article might not accurately mirror his ideas.

Despite this "intimidation," Pak Kwan-yong made no response. On 1 September Mr. Pak attended the tape-cutting ceremony for "Hyoja-tong Reception House," the remodeled structure of the former official resident of the Blue House secretary general in Hyoja-tong, Chongno District, Seoul. On that occasion, I met Mr. Pak and asked him for an opportunity to talk to him. His reply was simple; he said "No" because he said he had no time. He gave the answer in a terse and almost rude manner. After receiving this "ultimatum," I made it clear to his secretaries, "I have no choice but to begin writing an article anyhow because I cannot wait any longer."

Surprisingly, on 3 September I was told that Pak Kwan-yong would see me. The verbal message said that after his daily schedule was over on 4 September, he would have about one hour to see me at 1430. The place: the secretary general's room on the third floor of the Blue House Secretariat. At the appointed time he opened the door and stepped outside to welcome me, and ensconced himself in his seat wearing the expression of one who is running away from something. It was a tacit signal that because he had not much time, I should quickly ask whatever questions I had to ask.

The atmosphere was far from amicable. He looked awkward like a man who just awoke while wrapped in thought because of an appointment to see a reporter.

In an attempt to soften the awkward atmosphere, I thought I should open the conversation with a soft question. I quickly asked, "Would you tell me about recollections of your school days?" The question was vague, so I thought I had to add, "Stories like a fight with your friend or a love affair with a female student, etc." Mr. Pak answered my question promptly. He said: "You mean why I went on to Tongnae High School from Pusan Middle School instead of going to Pusan High School? My school achievement was not bad as indicated by the fact that I passed the first state examination for civil service. I had an interesting link to Tongnae High School. I was on the baseball team at Pusan Middle School. Short as I was in stature, I was a pretty good player. In those days Tongnae High School had a strong baseball team, and it drafted me into the team. More than 90 percent of Pusan Middle School went on to Pusan High School, and I would have been easily accepted if had applied."

At this point Mr Pak's face became somewhat brighter. He looked as if he felt freed from the formal daily routine at the Blue House. He even had a smile on his lips. [The following is a portion of the questions and answers exchanged, with the reporter's explanatory notations in parentheses interspersed intermittently]

Yun Chang-chung: Why didn't you continue your baseball?

Pak Kwan-yong: Our family crumbled when I was in the second year of high school. We had to sell our home and live in a "cardboard house." I was not in a position to stay in school and on the baseball team."

(The question I asked in an attempt to soften the atmosphere of the conversation ended up making the atmosphere awkward once gain. Momentarily I thought I made a blunder. But it was difficult for me not to ask him about the cause of the financial disaster of his family.)

Pak Kwan-yong: My father ran a small rubber shoe factory. My mother was active in the opposition party with Madame Pak Sun-chon. For this reason, my father's business was forced into bankruptcy.

(Mr. Pak continued to reminisce about his boyhood. When he was young, his active mother was very close to Madame Pak Sun-chon as if they were related, and headed the women's association under the Democratic Party South Kyongsang provincial chapter.

The financial distress of his parents was such that the boy Pak Kwan-yong was not in a position to receive a higher education after completing the third year of high school. But his married sister told him to go on to college promising to pay for his tuition fees. With her backing he entered the political science department of Tong-a University. He said that he chose political science because of his "sense of resistance" to power.)

Pak Kwan-yong: My house was frequented by many opposition politicians. One day I saw our "cardboard shack" crushed by ruling party members. From that moment on I felt a strong sense of resistance toward power. When I was in the first or second year of middle school, Mr. Pak Ki-chul, the Democratic Party vice presidential candidate, appeared at an open space in Tongnae to deliver a campaign speech. It was shortly after Mr. Cho Pong-am passed away. At the campaign site disabled veterans destroyed the podium with their wooden legs to break up the campaign rally. I was indignant at the scene.

(The questions about "the student Pak Kwan-yong" led straight to questions about his activities in the Blue House because I thought the aversion he harbored against power when he was young could have something to do with his position as the secretary general of the Blue House Secretariat.)

Yun Chang-chung: "What kind of impression do you have of the Blue House, the seat of power?

Pak Kwang-yong: My only impression is that it is an organ of power. The impression is not so good. Not particularly... It may be because I was in the opposition so long that I got the impression that it is...the office which wields power and reigns over the people... Even in my opinion, the Blue House cannot but look like a place which inspires no favorable impression.

Yun Chang-chung: However, engaging in politics means seeking to seize power, doesn't it? You don't think any politician will resist the existing power unless he seeks power himself, do you?

Pak Kwan-yong: I did seek power, but I fought against the governments of the Liberal and Republican Parties. Mine was the struggle against power stemming from a sense of resistance against power.

(I wonder how one can explain that a man with a sense of aversion to power holds the seat of the presidential secretary general, one of the highest persons in authority.)

Yun Chang-chung: What do you think of your predecessor Chong Hae-chang, former presidential secretary? Once you took over the seat of the secretary general, did you feel that your sense of resistance receded or that you came to understand something about the nature of your position?

Pak Kwan-yong: I have no set idea about the people concerned as individuals. But... I have no particular inclination to understand the way the Blue House operated in the past. I did confirm that the Blue House in the past brandished power, stopping at nothing. There was too much waste of political funds. The superiors did not care about the inferiors, and there were many cases of cold-hearted human rights violations. I apologize to former occupants of the Blue House for saying that. On the personal level, however, I do not view them in a 100-percent negative light...

Yun Chang-chung: Is the current Blue House Secretariat really different? Some critics say that although we have a civilian president, nothing has changed in the way the Blue House secretariat actually operates, for instance, in manipulating and controlling the Cabinet. Don't you think the Cabinet is more concerned about how the wind blows in the Blue House because we have a strong president?

Pak Kwan-yong: We are making every possible effort to refrain from doing so, and in fact, much has been improved. Wherever I go, I yield the top seat to the minister. It is not to my taste to try to wield power. Recently, I instructed Hong In-kil, senior secretary for general affairs, to make an arrangement with the Chongno Police Station to report any traffic violations involving members of the Blue House Secretariat without exception. We are really remaking ourselves."

Yun Chang-chung: Do you have any one of the former presidential secretary generals whom you regard as a model?

Pak Kwang-yong: None at all.

(Mr. Pak said it firmly. He met with his predecessor on several occasions in connection with the transition of government powers. He said Former Secretary General Chong Hae-chang gave him many tips as a "predecessor." But it seems that what the former secretary general said fell on deaf ears of the new secretary general.)

Pak Kwan-yong: There was only one piece of advice I found useful, namely, that in his words, "The job of the secretary general is such a busy job that you have no time to attend an alumni reunion, or a meeting of people from the same native town, or a family party. You have to cut off your personal activities.

Yun Chang-chung: If so, what is your perception of your job as secretary general?

Pak Kwan-yong: There are two sides to the job of the secretary general, a role directed upward and a role directed downward. Under the presidential system of government, the will of the president is very important because the people elected him. There must be appropriate assistance and advice. Once the president adopts a philosophy of government and chooses directions, it is essential to correctly grasp the desire of the president and transmit it down the line. According to my experience so far, it is difficult to fathom the desire of the president, and it is not so difficult to transmit it down the line once you know it.

(Mr. Pak said that he who holds the position of Blue House secretary general should have a rich administrative experience, but he himself is short on that score. According to him, President Kim does not need political advice because he is a "master of political judgment," but he needs administrative advice.)

Yun Chang-chung: You may feel uncomfortable about this question, but if what you just said is taken at face value, do you think it is possible to assume that had some other person been on the job of the secretary general, the Blue House Secretariat might have taken on a "different look?"

Pak Kwan-yong: There could be many changes. But there would be no change in the president's style of governing. With a life-long determination to be a president, the president had prepared himself in his own way. There would be no change in the basic direction.

(In giving his answer to that question, Secretary General Pak seemed to make a somewhat sensitive reaction. On the one hand, he gave the impression that he was trying to give prominence to President Kim, and on the other, he was stressing that he was the right person for his job.)

Pak Kwan-yong: Assistance to the president might be different in part. But no matter who had taken up this job, the president's political style would have remained unchanged, although the atmosphere of the secretariat and some details of operation might have changed. Because the president has a strong leadership and a clear philosophy, there might have been minor changes in the way the secretariat operates, specifically in timing, the way of expression, and the methods of approach.

(Frankly, the above question was raised as a prelude to the next question. No sooner had Mr. Pak finished his explanation than I asked him about the "quality" of the members of the Blue House staff.)

Yun Chang-chung: How would you react to the comment that the current secretariat is very "weak" compared with the preceding secretariat?

Pak Kwang-yong: It depends on the person who makes the comment.

(Mr. Pak seemed to have taken the word "weak" as meaning that his office did not wield power. Anyhow I let him continue without interrupting him.)

Pak Kwan-yong: During the days of Presidents Pak Chong-hui and No Tae-u, the Blue House brandished power with the backing of a formidable military might. The Samchong Education Corps was formed under the military power, wasn't it? On the contrary, the present civilian government is exercising its forceful power on the basis of its legitimacy and morality. Some critics say the Blue House is weak, but it could exercise power to the fullest extent if it so desires. If senior secretaries were to summon the ministers to the Blue House, the ministry would have to oblige. But most of the eight senior secretaries have had no experience in exercising that kind of power. The senior secretaries consist of two former politicians, two former professors, and two former journalists, and only two former government officials.

In my inaugural address as secretary general, and during two morning meetings, I stressed that the Blue House should serve the people and no longer lord it over.

(At this point, I interrupted him by saying: "By the word weak I mean the quality of the staff of the secretariat, and so forth..." Then I told him I would ask questions that might embarrass him, and asked for his understanding. This was because 40 minutes had passed since the interview began, and I wanted to use the remaining 20 minutes more effectively.

(Secretary General Pak now correctly perceived the word "weak," but he tried to get by with a half negative, half positive response as if he did not like to agree to the definition of the word weak. He exhibited his "speech technique" nurtured through his experience as a veteran legislator who served for four terms.)

Pak Kwan-yong: You could say it is weak. On several occasions, however, the Blue House solved problems that the party and ministries could not solve, and this proves that the Blue House Secretariat is not weak. Don't you think that kind of a weak secretariat is better?

The President set forth several criteria for handling personnel affairs, saying that personnel affairs are important in every aspect, be it politics, administration, and what not. The criterion called for selecting fresh persons committed to reform and excluding anyone who brandished power in positions of powerin the past. As a result, it ended up choosing little known persons with little administrative experiences.

Yun Chang-chung: In the bygone days even if the president had told a lie, his secretarial staff was so "skilful" that it would have convinced the public of what the president said. The Dam of Peace construction project seems to be a case in point. Of course, the question of judgment over good or bad is outside the point. It seems that President Kim chooses only the right things to do, but his staff is not skillful enough to accurately convey his ideas to the people and keep them informed. Take the real name financial system as an example. The system was introduced after a national consensus in principle was formed, but there have been more and more side-effects with passage of time.

Pak Kwan-yong: In my opinion no one opposes the real name financial system head-on. But is that not the result of conflicting interests? There is a kind of "food chain" in our society. People do not dare to oppose the principles, but when it comes to their interests, they put up a strong opposition. This duality is the problem. They all agree that the real name financial system should be enforced. Yet they complain: "It is hurting my business," or "why do they take away the tax?" and so forth. There are many contradictory things because our society is very corrupt.

Yun Chang-chung: Isn't it a problem to regard resistance unconditionally as opposition to reform? Our society being a pluralistic one, there is bound to be much conflict of interests. Yet aren't you viewing such conflict from too much of a simplistic viewpoint?

Pak Kwan-yong: You should draw a line between complaint and resistance. There are only small forces that resist reform. But this force has information, money, and crafty skills. There are actually some forces of resistance.

Numerically, the forces of discontent are far greater than the forces of resistance. We admit that our effort to minimize discontent has not been enough. Had we studied the real name financial system more in its technical and administrative aspects, there might have been less complaint... In a sense we lacked refinement. Nevertheless, I cannot but point to the contradictory characteristics of our society I mentioned earlier.

(It made me shudder to see the Blue House attack any manifestation of a social atmosphere of tending to deviate from the stream of reform with all kinds of language the dissident forces were fond of using, such as "the enemy inside," "the entrenched interests," "the forces of resistance," and even the expression "the revanchists." I felt the same way when Mr. Pak repeatedly used the expression "the forces of resistance" during the interview.)

Yun Chang-chung: Isn't there a strong tendency among the reform group to analyze our society from a reform vs. anti-reform paradigm? When the government takes the lead in calling for national harmony, there are invariably some forces that deviate from it. Yet I got the impression that the government is bent upon attacking the opponents under the assumption that there are particular forces opposed to reform. Your argument is based on the view that such forces actually exist in our society.

Pak kwan-yong: When the president said there is an enemy inside, he meant to refer to the customary slothfulness of our society and not single out any organized force.

I myself used the expression "entrenched interests." The use of this expression may be taken for an intention to eliminate some segment of society, but we are confronted with the difficulty of having to forge ahead with a strong force. There are invariably some resistant forces in any society. In order that these forces may be eliminated effectively, we have no choice but to do in the early stage what we are doing now.

(Secretary General Pak clearly recognizes the existence of the anti-reform forces. He did not pinpoint the remnant forces of the Fifth and Sixth Republics as the anti-reform forces, but I could fully read his meaning between the lines.

On the Saturday afternoon, rays of sunlight brightened the office room of this powerful man, who may be called "the second most powerful person." Mr. Pak was regarded as one of the leading theorists when he was a National Assembly member. His logic was as sound as ever. He accentuated his voice so much that I felt as if it rang through his almost empty office, which looked desolate after most of the employees had gone.

The promised one hour has already gone. But the interview continued. Secretary General Pak also seemed to have a lot more to say, and many "peaks" were yet to be negotiated in the interview.

Meantime one of his secretaries entered the room bearing a memo noting that it was 1530, the appointed closing time of the interview. But Mr. Pak did not bother about the memo.)

Yun Chang-chung: Secretary General Pak, not only you but also President Kim bluntly said, "Any public servant lacking conviction should leave his post." Don't you think it is rather harsh to say that?

(Mr. Pak hesitated momentarily. It looked as if the right words did not come to mind instantly that could break the spears of my argument.)

Pak Kwan-yong: That was buried in the paragraphs that urged civil servants to work hard, and it was not the main theme. Former President No Tae-u always read the draft when he delivered a speech. But President Kim speaks impromptu except for special occasions. That is why there could be "rough" expressions from time to time.

Yun Chang-chung: They say some government employees are saying, "Let us sit through five years. You don't think the Blue House clock will stop ticking, do you?" Have you heard of these expressions of resentment against the Blue House, which failed to understand subtle sentiment of public servants?

Pak Kwan-yong: I know of those grievances. But does the society of public servants not also have a corrupt food chain? The former Blue House occupants enjoyed all kinds of tax exemptions and wasted an enormous amount of money that it took from outside sources. Now that the Blue House is the first to change, the society of public servants should do away with its easygoing work habit. We are by no means branding the society of public servants as a resistant or obstructionist force. It looks as if we were precisely doing that. One of the reasons for giving that kind of impression is that the new government suddenly took over and has been discussing problems of the past, and on the other hand, public employees look upon the government with a sense of resistance simply because they worked for the old government. Admittedly, the new government lacks in administrative experience and makes rough approaches to problems at times. But basically, the new government does not look upon the society of public servants with a jaundiced eye and regard as an enemy. However, I believe that to improve the chemistry of that society, to seek change and reform, there must be a strong "impact," or a shock remedy. Inadvertently, we gave the aforementioned impression, but carelessness seems to be one of the reasons.

Yun Chang-chung: What is the new government's real intention of disapproving of the past? What does the negation of the past have to do with the new nation building?

Pak Kwan-yong: We partly disapprove of the past. For the past 40 years of his political career, President Kim was subject to oppression at the hands of those in power and he resisted power. One should understand that as a result of this process, he could become prone to "negation."

But, he has now risen to the presidency. He is the victor. What other goals do you think he could possibly have except for that of achieving national unity and economic recovery, rooting out injustices and corruption, and building a new Korea? He is far from trying to pay off old scores.

(At this point, the Secretary General seemed to be looking for graphic proof that President Kim is not merely trying to negate the past.

On 2 September President Kim sent Secretary General Pak to former President No Tae-u to present a vase of orchid flowers in honor of the latter's 61st birthday. A senior secretary could have been sent, but reportedly, President Kim himself decided to send the secretary general, higher in rank than a senior secretary, to Yonhui-tong.

Reportedly, President Kim was quite happy when Mr. Pak, upon returning from Yonhui-tong, reported, "Former President No asked me to convey his profound gratitude to the president."

Mr. Pak asked: If President Kim is inclined to disapprove the past in its entirety, how could he have visited the Taejon Expo, a project initiated by his predecessor No Tae-u, and paid the highest tribute? Mr. Pak stressed that President Kim intends to correct the bad conventions and habits of the past, not to negate things of the past hook, line, and sinker.)

Yun Chang-chung: Do you still believe that shortly after the formation of the Cabinet, it was due to the secret organized conspiracy of the entrenched interests that some of the ministers and vice ministers were forced out as a result of the charges of engaging in real estate speculation and owning luxury homes? Do you have any concrete proof?

Pak Kwan-yong: None can dare to complain face-to-face because the new government has justice and justification on its side. They cannot criticize openly, but try to hurt us from behind. In those days there was a force which had grudges against revolutionary personages. They provided the kind of information that was only available to those who were in a special position of importance. It came to light that it was the work of some people who held key posts in the past. It was a malicious organized conspiracy.

(Judging from what he said thus far, Secretary General Pak was a reformist. He is clearly the number two man in the present government, who is bolstering President Kim's reform program as his loyal "alter ego."

Unlike Yi Hu-rak, Kim Hyong-uk, and Cha Chi-chol, Mr. Pak is not bent upon brandishing his power, nor will the situation of our times permit him to do so. But It struck me that he is the aide in whom President Kim entrusts his unshakable trust.

I asked a question to confirm my impression. It was a kind of "trap" to lead to the question that followed. The foremost reason we set so many snares to trap Secretary General Pak was that the Kim Yong-sam Administration is the first civilian government in 32 years, and that it should be subject to a close "scrutiny" by the press and the public.)

Yun Chang-chung: Are you a realist or a reformist?

Pak Kwan-yong: It is a vague characterization. While considering myself to be very much rational, I am not satisfied with reality. Politically, I may be regarded as a progressive. Needless to say, I do not want radical reform. When I asked political scientists whether the idea of "conservative progressivism" is possible in political science, they said, "Yes." People categorically equate progressivism to reformism, and conservatism to reactionaryism. But according to political scientists, there could be a term that can transcend all these expressions. During my National Assembly reelection campaign, I prepared a pamphlet entitled "Conservative Progressivism," and I also wrote in a magazine on the same subject.

[Before continuing to present more of the interview, the reporter analyzes Pak Kwan-yong's political philosophy]

When the fever ran high for a revision of the constitution to provide for a direct election of president during the 13th general election, Pak Kwan-yong formulated and propagated progressive conservatism as his political line using as his base the "Research Institute of Democratic Thought," headed by Assemblyman Yi Ki-taek,.

Mr. Pak contributed a long article under the title "the Progressivization of Conservative Parties" to MINJU SASANG, a journal published by the Research Institute of Democratic Thought" (the April 1986 issue). The political thought of Pak Kwan-yong, who was only in his second term as a National Assembly member in those days, did not come into the spotlight in the New Democratic Party, which was studded with a galaxy of conservative politicians. But clearly, the idea of conservative progressivism with which he was infatuated in his days as a political novice is his ideological root.

In the aforementioned article, Mr. Pak was very much unhappy about the absence of "a tug of war between the progressive and the conservative." He wrote:

"...It is a basic fact in political history that only when wholesome progressivism and healthy conservatism check against each other and achieve harmony in this process did politics make progress... But when we look at our political reality, we cannot conceal a sense of frustration. This is because no matter how much we ruminate over and look back upon the past 40 years of political history, we can hardly find a tug of war between the progressive and the conservative in the true sense of the words."

Mr. Pak lays the blame for the absence of progressivism on the 10 May general election held after liberation, in which the progressive forces were shut out. He wrote:

"The 10 May election should have been held with the participation of all political parties and groupings of South Korea at least. But in reality, only the candidates of the Korea Democratic Party—which was strongly of a ultra rightist persuasion—and dropouts from the moderate rightist forces, and independents of a strong rightist hue were all that participated in the election. For this reason, it may not be too far-fetched to say that the errors of politics in Korea originate in the 10 May election."

Mr. Pak stressed that one should not equate progressivism to a left-leaning, procommunist persuasion. He wrote:

"In Korean society all political movements or forces tinged with a progressive color were hit with iron blows without a single exception. In my opinion that was not because the public had aversion to such political movements or forces, but because of the inveterate self-defensive instinct of the political and economic groups with erratic political propensities, which feared that the emergence of any such political force or movement would have an adverse impact on their positions... But why should a political movement or force that seeks progress be equated to a left-leaning, procommunist persuasion?"

Pak Kwan-yong stressed and almost cried for the raison d'etre of the progressive force. I would like to quote some more from his writing, although it seems a bit long, because I believe it is useful in judging his political color. He wrote:

"The people in our country are no longer the prisoners of the blind cold war mentality. While looking straight at the division of our land and the military confrontation between North and South, our people wish that a more progressive and reformist political force will emerge and that there will be a political movement into which this political force and the public are brought together.

"...It is my unshakable desire to realize a harmonious and stylish democratic politics in which the true conservatives and progressives maintain checks and balances, not repeating a vicious cycle of extremism and limping, and that of cutting and getting cut. Therefore, it is not my desire to stage a revolution, much less to leave the status quo unchanged. I want to change it. I want to reform it."

Pak Kwan-yong proposed to nurture a "party of a progressive hue." Inasmuch as it was difficult to organize a new party off-hand, he demanded that the New Democratic Party, then the first opposition party, change itself into a political party of a progressive character.

In denial of the possibility of his call for a progressive party being misunderstood as "a dangerous idea," Mr. Pak cited the following cases: Mario Soares, who was elected as the first civilian president of Portugal in 60 years after being imprisoned 12 times as a symbol of progressive democracy, is now holding out the banner of anticommunism; Argentine President Raul Alfonsin and Peruvian President Garcia Peres, who after having put an end to the long military rule in their countries, have achieved political stability by removing the danger of spontaneous communism resulting from the protracted deprivation of people's life by the military regimes in the past.

At the April 1986 session of the New Democratic Party Political Committee, Mr. Pak expounded his pet theory of conservative progressive. He took every opportunity to go around proselytizing. Depending on which side of his idea of conservative progressivism he emphasized, conservatism or progressivism, his idea at times sound like "progressive conservatism."

During a roundtable discussion on the subject of "Argument About the Left-Leaning Tendency of the Student Movement," sponsored by the CHONGGYONG MUNHWA October 1985 issue, Mr. Pak presented an outline of conservative progressivism. Assemblyman Nam Chae-hui of the Democratic Justice Party (DJP) was also present.

Commenting on the tendency of campus demonstrations to become increasingly violent, Mr. Pak said: "...the primary problem is that despite the long continuing efforts to rectify the various contradictions which are absolutely intolerable in the eyes of the students, these social contradictions are getting worse. That is why naturally, student activities cannot but become more and more violent." As one of the measures to cope with this tendency, he referred to the possibility of organizing a reformist party.

On some points he was more specific. He said:

"I think that the time has come when we were discussing the possibility of a progressive party. ...Earlier I used the expression "creating an ideology. It is a fact that now is the time for some new leading ideology to make its debut. ...for instance, many factors are responsible for the staying power of the Liberal Democratic Party [DLP] of Japan. People like Tokuma Utsunomiya are quite radical, but the LDP boldly brought them into its fold. ...We should even now search for the way to be responsive to the new demands of the new generation, and I believe that now is the time to do so. In the past we failed to make an opening for people with progressive ideas. I disapprove of any advocate of violent revolution bent upon overthrowing the basic system of liberal democracy." (WOLGAN KYONGHYANG, the December 1987 issue)

Pak Kwan-yong continued to maintain the concept of conservative progressivism he formulated in 1985 even after the March 1990 three- party merger. Even in the face of the grand conservative union in the form of the three-party merger, he did not remain silent.

It was a very interesting "rediscovery" that I realized the fact that an advocate of "conservative progressivism" occupies the seat of the Blue House secretary general, the "alter ego" of President Kim. Granted that as pointed out by Mr. Pak, President Kim's leadership, political philosophy, and political style have so firmly established that they will not be influenced by the people around him, he has to consult his staff on details.

Announcing an early construction plan for the Honam rapid-transit railroad during the 25 August dinner meeting with Blue House reporters marking his 6 months in office, President Kim disclosed that he had consulted with Secretary General Pak on the plan as if he were trying to stress that the plan was not adopted on the spur of the moment, but a well thought out one.

That the political line behind the Kim Yong-sam Administration, as well as the political philosophy of the next most influential person, is conservative progressivism cannot but be quite suggestive. The extraordinary character of reform that has been exhibited by the government must have something to do with this political "color" of the people around President Kim.

There is no knowing what aspects of Mr. Pak President Kim evaluated highly in appointing him as Blue House secretary general. But no doubt the president must have taken Mr. Pak's above-described political line into consideration. The reason is simple. President Kim is a conservative politician; and to push his reform program, he needs to have a reformist in the post of Blue House secretary general. If a conservative committed to the similar political line as President Kim's were to occupy that post, would it be possible to stage the kind of sweeping reform as we see it today? Even if there was reform, it would have been much slower in that case.

Mr. Pak's sense of resistance to and hatred for power, the plurality of his thought that can embrace even a reformist hue, and his sense of balance capable of perceiving reality in a balanced way—these may have been the factors that President Kim took into consideration in appointing him as Blue House secretary general. These characteristics of Secretary General Pak have the duality of agreeing with President Kim's personality in some aspects and coming into conflict with it in other aspects.

In addition to these characteristics, Mr. Pak has one particular political trait that cannot be overlooked, and that trait is his deep- rooted hatred for Pariakapitalismus. This hatred could be linked to the "progressive" side of his political thought.

When he was a member in the 12th and 13th National Assembly, he scathingly attacked the untrammeled tyranny of the conglomerates and the gap between the rich and poor in our society.

A typical example is the statement he made during the November 1986 parliamentary interpellation in the 131st regular session of the National Assembly, representing the NDP assemblymen elected in the 12th general election. He said in essence:

"We have seen numerous workers standing in the dock for the simple reason that they, deprived of their minimum right of survival, shouted, Give us a just reward,' and Give us a due compensation,' or exposed their wretched living condition. But when did we see businessmen stand in the dock on charges of bilking the wages of workers and depriving them of their right to work?

"A visiting maid working for a family in a luxury apartment was so shocked when she saw the amount of food in the ice-box consumed each day by that family cost more than the whole month's food bill of her family that she plumped down on the floor in front of the refrigerator shedding tears. What do you think the maid was thinking of at that time? I think that was a common experience the multitude of common people had."

It is no exaggeration to say that the way the government is dealing with the cozy relationship between politicians and businessmen and problems concerning conglomerates has something to do with the attitude of the influential officials of the present government. [End of the reporter's analysis of Mr. Pak's political philosophy]

Already 1 hours and 20 minutes have passed since the interview started. Secretary General Pak sat straight with his hands clasped, except when he bent his body toward the table to drink barley tea from time to time.

When I said to Mr. Pak, "I have many questions yet to ask. If you tell me the time limit, I will ask them more to the point in a relaxed manner." Looking at the wall clock, he said, "Let us continue until 4:30." That meant we had 40 more minutes to go, and the total time spent for the interview would be 2 hours. Immediately, I opened a barrage of questions like machine-gun fire, but Mr. Pak looked relaxed, "without even blinking his eyes." At that moment, I said to myself, That is what they call the commanding mien of a veteran politician. Here is more of the interview.

Yun Chang-chung: The negation of history is a common practice of socialists. You are well aware that the first thing they undertake is to deny history in order to weaken the Establishment.

Pak Kwan-yong: No one could possible brand the present government as a socialist government. But I myself was shocked at the allegation that in its reform drive the present government attaches too much importance to ideological approaches. I am far from agreeing to that allegation. But seeing what the present government brands as "entrenched interests" being driven harshly into the corner, some may say that the government is using ideology as a weapon in mounting a counterattack against them.

Yun Chang-chung: In fact, a certain right-wing conservative journal even went so far as to print a list of those present government officials whose ideologies it said are questionable. Have you ever hard of that? (Mr Pak asked me, "What is the name of that magazine?" Then he jotted down the name of the magazine with a pencil on the memo pad near the telephone on the side table. He looked very serious.)

Pak Kwan-yong: Any attempt to link the socialists' negation of history to our reform drive is untenable. When did we ever deny history? All we are trying to do is to rectify the wrong practices and habits. When did our reform drive ever deviate from the principles of liberal democracy?

Let me repeat that our reform drive is not aiming at denying the established ideology or system. Our goal is only to free ourselves from the wrong practices and habits. Of course, there could be one or two racialists [in the government]. But...

(Mr. Pak shook his head.)

Yun Chang-chung: A government publication said, "the entrenched interest groups are exaggerating the side-effects of the real name financial system." If the government brands the "forces" opposed to the real name financial system as entrenched interest groups, how would you characterize the government that is enforcing the real name system?

(Mr. Pak did not give a straight answer. After a pose, he spoke.)

Pak Kwan-yong: We used that expression for the people who have black money and are in a disadvantageous position. The number of those who will gain from the real name system is far greater than that of the people who will lose, isn't it?

Yun Chang-chung: I would like to ask questions about the leading figures behind the reform drive. People in the business community impacted by the enforcement of the real name financial system jokingly liken President Kim to a "golf ball." Nobody knows how a golf ball will bounce; and once a person is hit by it, he will be injured seriously. This joke is in the same vein with the claim that President Kim is staging a "one-man show." But the president does not appear to be playing a one-man show. It seems to be a more accurate analysis to say that this is a "two-man show" with President Kim pulling in the front and Secretary General Pak pushing from behind. Is it really desirable that the latitude of the reform drive is so narrow?

Pak Kwan-yong: You touched the heart of the matter. In the final analysis, in any age and in any country the character and individual style of the president are important. All boils down to them. For instance, as you recall, President Syngman Rhee was autocratic despite his upbringing and education in the United States; and Dr. Chang Myon practiced democracy despite the fact that he grew up in Korea and lived under the harsh Japanese dictatorial rule. In the end both of them failed... Our people are well aware of the character of President Kim Yong-sam the political leader, aren't they? He possesses the tenacious character and willpower with which he has fought without succumbing to any cajolery or pressure. Let us recall the period in which he was at the spearhead of struggle, leading a powerful opposition party. President Kim has a strong leadership and grasping power. It is his conviction that in order to create a new Korea, the leader must have a strong willpower and press forward with a firm determination. He thinks that only with a firm determination it will be possible to bring the real name financial system to fruition within a year.

There is a reason behind President Kim's determination. Do you know what a persistent opposition he encountered when he tried to abolish the Ministry of Energy and Resources and the Ministry of Sports shortly after he was elected to the presidency? Through that experience he came to realize that there must be minute preparations before undertaking any task ... He realized how difficult it is to push for reform. In some aspects, the government has to force things through one-sidedly, although the word "one-sidedly" may sound undemocratic. He had no choice but to play a one-man show. Some use the expression "surprise show." But could you possibly think of any other way to enforce the real name financial system or appoint ministers and vice ministers?

(Inasmuch as those questions concerned President Kim, Mr. Pak tried to give lengthy explanations by carefully choosing his words. I got the impression that he was trying not to hurt "the feelings" of the questioner. I asked another question that might make him uncomfortable.)

Yun Chang-chung: Some point out that influential government officials are mainly concerned about managing their own popularity. This is to say that a number of these officials are persistently pushing ahead with the kind of programs that might prove a burden for the president. It may be difficult for the president, who attaches importance to principles, to tell them to "stop."

(Secretary General Pak really got offended. He did not raise his voice, nor did his face urn red. But his feelings were reflected in the words he used in his answers. From his anger I formed judgment that he has become a faithful "YS [abbreviation for Kim Yong-sam] man.")

Pak Kwan-yong: Why in the world can YS not tell the people he appointed what to do? If he tells them stop talking nonsense or shut up, that will settle the things. The reason that the president lets a hundred schools of thoughts contend is that he wants "everyone to work in his or her post with a conviction."

Yun Chang-chung: Why are Yi Hoe-chang, director of the Board of Audit and Inspection, and Yi Man-sop, speaker of the National Assembly, so tenaciously clinging to the issues concerning the former presidents, apparently in contradiction to the position of the Blue House?

Pak Kwan-yong: The president only lays down the principle. All that he gives the director of the Board of Audit and Inspection is the general instruction that "You do as best as you can to root out injustices and corruption according to your conviction; and all that he gives the speaker of the National Assembly is the general instruction that "You try to form a new image of the National Assembly." I would say that the Blue House has become democratic to the marrow. Our people have been unconsciously soaked with a monolithic thought for too long.

(According to Secretary General Pak, it is a natural phenomenon that the minister of economic planning and the minister of agriculture and fisheries could share the same view or disagree. He says that it reflects the residue of the military culture that the press calls it a conflict of views when there are diverse opinions inside the government.)

Pak Kwan-yong: Don't you agree that there can be harmony only when individuals present their diverse views? I think that is democracy. You should not judge things by the criteria set in the period of the Chon Tu-hwan presidency.

(Some critics call the government's investigations of corruption "targeted investigations," and the Blue House is very much unhappy about this allegation. There is some internal reason why they cannot but be targeted investigations. No matter how corrupt and degenerate the former regimes were, it is impossible to lock up all the wrongdoers in jail; and accordingly, there is no choice but to select symbolic figures in each domain as targets of investigation. They must have reasoned that exposing "selected cases" are the most effective way of demoralizing the spirit of certain groups.)

Yun Chang-chung: Is the expression "targeted investigation" appropriate?

Pak Kwan-yong: The allegation about "targeted investigations" is a gross misrepresentation. Isn't the Chong Chu-yong case, in fact, a case of violation of the election law? In Pak Chol-on's case, the prosecution, not we, made a case against him on the basis of competitive investigations.

(When the labor dispute in the Hyundai group was at its critical stage, Chong Chu-yong stealthily left the country for China, and subsequently upon returning home on the day the government invoked the emergency arbitration power, he said nasty things about the government; and all of a sudden he was hospitalized for reasons no one knows. Everyone knows about the Pak Cho-on case.)

Pak Kwan-yong: The investigations of corruption cases appear to be targeted investigations because the TK group received the lion's share of ill-gotten fortunes.

(While scribbling down the answers, I belatedly discovered an issue that we might otherwise have passed over without further dissuasion. It refers to the expression "the case made by the prosecution." If the prosecution "made" the cases against Chong Chu-yong and Pak Chol-on, it signifies a great change. If prosecutorial authorities are delving into these cases without first trying to see the how the wind blows in the Blue House, one should conclude that the prosecutorial branch has gained its independence. That is why I asked again.)

Yun Chang-chung: Did the prosecution really do so? If that is true, by what means is the present government going to maintain its power?

Pak Kwan-yong: Things have changed completely.

(He meant to say that the civilian government is literally using a democratic way of governing.)

Pak Kwan-yong: The former presidents used the Agency for National Security Planning, the prosecutors and police, and the so-called security-centered logic, and an enormous political fund as means of governing. These means played a key role in the exercise of the presidential power. They were always used in cracking down on the democratic forces. But we are not doing that. We are not using power organs as means of political surveillance or suppression. The legitimacy, morality of the government and the fervent desire of the people for change are our tools of governing.

(I could not press further. But I felt an urge to ask about the question of popularity.)

Yun Chang-chung: Do you mean to say that you are concerned about popularity for that reason?

Pak Kwan-yong: You should differentiate between the fervent wishes of the people and popularity, theatrical popularity I mean. The passionate desire of the people for breaking the status quo is something different from popularity. Playing to the gallery and pandering to public opinion and seeking temporary, fickle, trivial popularity is nothing but momentalism and would impede national development. The president once quoted press reports that his popularity rating ranged from "80 percent to 90 percent," and that quoting should not be construed as signifying that he is only concerned about popularity.

(Mr. Pak gave serious answers from beginning to end. Aside from whether the answers are substantive or not, apparently he presented his views sincerely. It came to my mind that this kind of sincerity may have made him what he is now.

Worthy of his position as the number two man, he showed no trace of frivolity or the awkwardness of trying to make his point by using a pedantic argument borrowed from someone else as if it were his own. When I asked questions from an angle different from his own stand, he occasionally showed the modesty of taking note of them by his look or by saying, "it is a good question."

He is as much busy as the President is. He may be busier in handling practical business. But seeing him silently assisting President Kim without appearing before the press, I noticed that Mr. Pak is no longer Pak Kwan-yong the mass politician—he has changed as much as President Kim, who is said to have become a different person after he assumed the presidency,.

No insincere person can hold onto the seat of Blue House secretary general. It may look like a splendorous seat because it is a powerful post. But it would not be an easy job to live always under stress, circling around the president 24 hours a day.

On the personal level, I have been acquainted with Mr. Pak as a news source since he became a National Assemblyman from the Democratic Korea Party for the first time in 1981. I would like to assert that his sincerity is the foremost factor that made him the Blue House secretary general, the highest position he has attained for the first time in 32 years since he started out as a secretary to Assemblyman Yi Ki-taek in 1967.

He was not born in a wealthy family, nor does he have a brilliant educational or professional background; and above all, he did not belong to President Kim's inner circle.

In his youth, when Yi Ki-taek, about the same age as he is, was serving his fourth term in the National Assembly, Pak Kwan-yong silently assisted him from behind. In 1980 Mr. Pak was elected to the National Assembly from the constituency which Yi Ki-taek was forced to surrender because of a political ban on him. Assemblyman Pak Kwan-yong belonged to the Yi Ki-taek faction, joining neither the Kim Tae-chung or the Kim Yong-sam faction; thus he always remained in the nonmainstream. In his days in opposition, Kim Yong-sam, the president of the opposition party, took no note of Assemblyman Pak Kwan-yong. When there was a personnel reshuffle in the party, his name was mentioned as a potential appointee simply because there was some probability. Party President Kim Yong-sam had no particular trust in him.

At only one time party President Kim wanted to give him a good post. He marked Pak Kwan-yong as the potential floor leader of the Reunification Democratic Party [RDP] in 1989, prior to the three-party merger. But the day before the scheduled announcement, the plan aborted because of Yi Ki-taek's "interception."

His official fortunes began to improve when he got in touch with Candidate Kim Yong-sam in his capacity as the chairman of the DLP campaign committee during the 1992 presidential race.

In a sense one could say Mr. Pak rose in his career overnight. But his rise in stature has so much of the success story of a self-made man that it can hardly be called an overnight success. If it was an overnight success, it was made possible by the strength of his sincerity. President Kim may have valued his sincere character very highly. Some speculate that the president first thought him to be Yi Ki-taek's man but later came to notice the depth of his mind.

In his RDP days, Pak Kwan-yong concentrated on the unification issue while he was the chairman of the party's "Committee on National Unification" and the chairman of the National Assembly Special Committee on Unification Policy. He published "Understanding the Unification Issue" and "At the Dawn of Unification," both dealing with the unification issue, while he was neglected by his party with no executive post assigned him despite the fact that he was in his third term in the National Assembly. He also authored a thesis entitled "A Study of Arms Control on the Korean Peninsula" (1991) at the Hanyang University School of Government Administration.

At the Korea Political Institute Pak Kwan-yong presented "the Korean National Community Formula for Unification" at the Korean Institute of Political Science in 1989 on the basis of his accumulated knowledge on the unification issue. He was a South Korean delegate to the North- South parliamentary talks, and stayed in Pyongyang for 8 nights and 9 days with other members of the delegation to the 85th session of the International Parliamentary Union (IPU). During the June 1990 interpellation in the National Assembly, he pressed for a North-South joint declaration on disarmament and nonaggression. In this way he strived to make the unification issue his "trade mark."

During the interview Pak Kwan-yong seized every opportunity to stress how President Kim is working intently. On the other hand, he also explained how deeply the president agonizes as the foremost responsible person for state affairs when things do not go as he wishes.

Said Pak Kwan-yong: "The president agonized over the crop damage from cold weather. Stepping out of the car in front of the entrance to the Blue House main hall, he sighed when the sky was overcast or it was raining, but he was very happy when the weather was fair..."

President Kim once said to Blue House reporters: "I thought I knew everything about the presidency because I had the strong determination to become a president one day. But when I actually became one, I came to realize that I knew only one-fifth of it."

The president may have fancied that only if there was genuine enthusiasm on the part of the ruler would all state affairs unravel like a skein of thread. During the first 100 days of the new economic plan, he spurred his economic staff on by almost scolding them and went around visiting sites of economic activity. By now he might have keenly realized that it is impossible for the government alone to solve problems facing our economy, which goes in gear with the world economy. It may be for this reason that President Kim said, "The presidency is a lonely job."

Therefore the secretary general, whom the president sees at any time and who can meet the president at any time, may be called the "mistress of the house," and the party chairman or the prime minister cannot be the "mistress of the house." Here is the more of the interview.)

Yun Chang-chung: President Kim said that he consulted you, Mr. secretary general, when he recently announced the plan for the Honam rapid-transit railroad; and he also issues all his orders to the Cabinet through you. He trusts you as his right-hand man, doesn't he?

(But he dodged the heart of the question. He passed over the part of question that dealt with trust, pretending as if he did not hear it, and only explained how the Blue House technically botched its press game when it announced the plan for the Honam rapid-transit railroad,

and thus ended up giving the impression that it was staging a "surprise show.")

Pak Kwan-yong: The plan for the construction of a Honam rapid-transit railroad was not conceived by this president. A feasibility survey was carried out way before he became president. While discussing the Kyong-Pu rapid-transit railroad construction plan, the conclusion was reached that a Honam-Yongdong rapid-transit railroad should be constructed at the same time.

Upon my inquiry to the Ministry of Transportation, I found out that the Honam rapid-transit railroad construction plan had been studied at the inter-agency level, and the planning was compiled into a book as thick as this size. If we had announced the plan after setting the stage by going through the motion of having another interagency consultation, there would have been no clamor... It taught us a good lesson. We suddenly announced the plan without laying the ground work for creating a favorable atmosphere; as a result, we were accused of playing a surprise show... We have retreated as a consequence.

(Mr. Pak looked tired. Noting that there was 5 more minutes to go before the appointed time, he said he wanted to take only one more question before closing the interview. But I told him I would like to two more questions.)

Yun Chang-chung: What is the outlook for our economy?

Pak Kwan-yong: Reform would serve no purpose if it were to impoverish our people. Economy is such a delicate thing that it easily gets a blow. That is why we should handle it with care.

Nevertheless there is no change in our belief that reform must be carried through to a successful end. While continuing to push reform, we will improve the economy. To this end, the workers should be work harder, and I wish the U.S. and Japanese economies will soon recover. The president is determined to improve our international competitiveness through peace between labor and management so that our economy may recover soon.

Yun Chang-chung: This is my last question. Your status and the power relationship between you and the people around you have changed radically. Do you yourself and the people around you not feel the change?

Pak Kwan-yong: It seems that those who get in touch with me think that I am in such a powerful position that I can do anything if I want to. I have not yet learned how powerful the Blue House secretary general is. Suppose I am a fellow in his right frame of mind, would you expect me to suggest that "this or that person be kicked out" or to dictate ministers or National Assembly members to "implement this or that policy"? I am not the kind of person who can behave like that.

I am actually the same as before. My position is such that even if I want to do something as an individual, I cannot do it. Some people tell me to be more commanding, but it does not sit well with my character. (This concludes the interview.)

No sooner had the interview ended than Secretary General Pak rose from his seat. He should have left for the next appointment sooner, but he did not. He seemed to be in a hurry. The thought flashed upon me that he might be leaving in a hurry because he was irritated by my blunt questions. But it was belatedly confirmed that he was in a hurry because someone was waiting for him at the appointed place.

Mr. Pak went out through the hall way, but immediately returned to his office and called for a high-ranking government official waiting in the next room. He walked toward his car with this official, listening attentively to his report. Apparently, the report was not completed when they reached car, and the two continued their conversation for 5 minutes or so. Saying to me, "In your article, write accurately what I I said," he then hurriedly entered his car.

While watching his car moving away, I tried to form a conclusion on the 2-hour interview with him.

First, inasmuch as President Kim is doing his utmost, Secretary General Pak is also doing his utmost to assist the president. But for this determination he would not have abandoned his status as a National Assembly member in his fourth term to took up his present position.

Second, despite his position as the number two man in power, he is trying hard not to flaunt his power. He believes this is the way he can share the same political fortune with President Kim. He is trying to be a "faceless secretary general."

Third, he thought that applying the brake on impudent exercises of power was all that required of statecraft. But while serving in the Blue House for these 6 months, this perception underwent a gradual change. In other words, he got a new understanding of the complexities and subtleties of administration and acutely feels the need to take necessary complementary measures.

Fourth, the people want reform, and yet the reform drive cannot avoid numerous criticisms. There, he urgently feels that the government should not back away from its "initial determination." He has the firm conviction that methodological problems should not be allowed to undermine the principles.

Fifth, he has the perception of the times that the Kim Yong-sam Administration is opening a new chapter in history. This is not so much the negation of history as the realization that only by so doing can our nation survive. I left the Blue House wondering "in what frame of mind the former Blue House secretary generals assisted their presidents?"

* Pohang Steel Since Pak Tae-chun's Departure

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[By reporter Chi Chae-won]

[Text] Six months have elapsed since Pohang Iron & Steel Co. [POSCO] set sail minus Pak Tae-chun. The giant ship POSCO is now co-captained by Chong Myong-sik, 62, chairman, and Cho Mal-su, 55, president. They have been POSCO men from the start whose abilities were once verified by the "TC [Pak Tae-chun] circle" although they are not yet too well known to the public yet.

After all, Pak Tae-chung was the "king" of POSCO for 25 years. It was founded and grew under his leadership. When Korea, starting from scratch, rose to the world's No. 7 steel giant, he was praised as the man who produced the "myth." In the world steel communities, too, he was known to be a steel tycoon comparable to Andrew Carnegie. Needless to say, his prolonged tenure had its drawbacks. When he was still in office, there were intermittent criticisms of him surrounded by cronies and of corruption and irregularities he was giving rise to. However, such criticisms were obscured by TC's "accomplishments."

As of the end of 1992, POSCO had grown into a giant business with 12 trillion won in assets and 6 trillion won in sales (including $2.4 billion in exports). It is a well-known fact that POSCO owed it largely to Pak's daredevil leadership and to his role as a "shield" from outside pressure. Consequently, his departure from POSCO spawned widespread concerns.

Generally, people were concerned about three things. Their first concern was that the departure might create a stir among POSCO employees who had shared their lot with TC.

With the Finance Ministry holding 20 percent of the POSCO shares, the government controls personnel management. When government authorities began looking for a successor as the stockholders meeting was drawing near, it was known that they were not interested from the beginning in picking an outside figure, on the grounds that steel represents a key industry so important in Korea that it is called "rice for all industries," and that POSCO ranks fourth or fifth among the *chaebol* [conglomerate] groups in Korea. Chongwadae made the point that "to carry out reform, it should be a person familiar with POSCO operations" and that "the new chairman should come from among management professionals, not politicians."

However, media kept playing up until the last minute, speculations that outside figures were being considered. They even cited a specific name. When the decision was announced, however, it was the promotion of Vice Chairman Chong Myong-sik and Vice President Cho Mal-su to Chairman and President respectively. It appeared that the announcement basically brought a sigh of relief among POSCO employees. While the replacements were not of their own will, the fact that successors were picked from inside went a long way toward calming the nerves of employees.

Secondly, people were worried if POSCO could withstand pressures from outside in the absence of a powerful shield like TC.

On 15 April, the chairman of the Fair Trade Commission, Han I-hon, announced that the commission will "study revision of related laws and decrees to designate POSCO as a large-scale business group and place it under the control of the Fair Trade Act." As a corporation prescribed in the Commercial Code, POSCO has more than 25 subsidiaries. This could make one wonder why it is still not designated as a large-size business group. The question could lead to the first "outside pressure" on the new leadership.

POSCO was once registered with the Securities Market in June 1988 when the government planned to sell part of its shares to the public as "National Stock" No. 1. It was then designated as a large-scale business group the next year. However, the decision was rescinded one year later on the grounds that POSCO needed to raise funds for the Kwangyang iron foundry project under way then. At the time, POSCO Chairman Pak Tae-chun was on the Supreme Committee of the ruling Democratic Justice Party.

POSCO's position regarding the issue is obvious. It is that if POSCO—of which the government is a major stockholder—is to be regulated in the same manner as private *chaebol* businesses are, the government-owned shares should first be transferred to the private sector and POSCO privatized both in name and reality, and that otherwise, POSCO should continue to be recognized as a public corporation.

The position of the Ministry of Trade, Industry and Resources is similar to POSCO's. Kim Min, an official of the ministry's Iron and Steel Production Division, said: "POSCO, meeting 65 percent of the domestic steel demand, needs approximately 1.2 trillion won in annual investment for the next several years to maintain the present high productivity and management ability. If it should be designated as a large-scale business group and placed under regulatory measures such as those concerning the bond issue and bank loans, it would be difficult to raise the huge amount of fund. The impact will not be confined just to POSCO but spread directly to all industries in the country. From the standpoint of industrial policy interests, POSCO should be treated differently from general private businesses." Considering the fact that the Fair Trade Commission announcement is made on 1 April every year, the POSCO case is likely to be decided early next year.

Immediately after it took over, the new POSCO leadership received a strong "recommendation" from the government to name Mr "J," an assistant vice minister-level figure, to vice president. As seen in the past case with Mr "K," whom it had to receive as an auditor, POSCO had not been totally free of "descent-by-parachute" appointments—the practice of high government officials landing a fat job in a corporation. Nonetheless, promotion-from-within was one of the things POSCO had been proud of since its founding. After a few rounds of unpleasant exchanges, the two sides agreed to "forget" Mr. "J." If Mr. "J" had been made vice president, it could have seriously damaged the prestige of the new leadership from the very beginning.

The third concern of the public was whether Pak Tae-chun's departure would adversely affect Korea's position in the world steel-making communities.

In this connection, POSCO officials hold that they see no serious problems. "International business is influenced not by individual names but by profits." To prove their case, they would cite the fact that POSCO exports gained 10 percent in the first half of this year over the same period last year, with exports to Japan, a major market, marking a 11.5 percent gain.

On hearing from an aide of the appointment of his successor ten days prior to the general stockholders meeting in March, Pak Tae-chun appeared to take it as "unexpected." According to people close to him, TC had at heart expected An Pyong-hwa to be picked. An Pyong-hwa, 62, then president of the Korea Electric Power Corporation, had earlier worked as the chief of the operations division of Korea Tungsten Mining Co. when TC was the president of that company. He also took part in the founding of POSCO, serving as its operations chief, then became its vice president (1980) and president (1985). He also served as the first trade and industry minister of the Sixth Republic. Media played up his name as if he had been the government's tentative choice as the successor.

Chairman Chong Myong-sik is an ex-engineer enterpriser. He majored in construction engineering at Seoul National University's (SNU) graduate school, and at the University of Minnesota graduate school. He worked as the chief of the sanitary engineering bureau of the Jamaican government's Public Health Department for three years in the latter half of the 1960's. After serving as president of the Korea General Technological Development Corporation, he joined POSCO as a managing director in February 1973, rising to vice president, to president and to vice chairman. He worked as field director of the Kwangyang iron foundry project through its fourth stage. He speaks foreign languages fluently and once served as a working-level official in diplomatic negotiations on steel.

At the first staff meeting held right after he took office, Chairman Chong ordered a new seating arrangement for him and President Cho Mal-su to sit side by side. In doing so, he said that "there is neither an owner president nor a hired one in our company." It was something unprecedented in the POSCO history. An episode showing part of the personality of Chairman Chong, who is called an "English gentleman," it suggests that POSCO in the future will be run under the chairman-president joint leadership, not the chairman's one-man leadership.

President Cho Mal-su, a graduate of Korea University and the SNU graduate school of public administration, entered POSCO in July 1970. He worked in the secretariat for the next ten years. He was promoted to a director in February 1982 and has since served in all fields including fund, general affairs, general domestic and overseas marketing administration, and business diversification. A native of Kimhae, South Kyongsang Province, Cho went to the same primary school with Yi Hak-pong, a man of influence in the Fifth Republic. It is known that in the early days of the Fifth Republic, when the new military leadership attempted to oust TC as a "man of the old era," Cho played a major role as a "protection" for him. However, he was shunned by TC's insiders, beginning in the late 1980's, and transferred to the Singapore branch in October last year.

Considering the fact that until then, the Singapore branch had been a post for an official between department chief and director in grade, Cho's transfer apparently was a demotion, even for the increasing importance of the Southeast Asian markets.

With regard to what caused the widened gap between Cho Mal-su and TC, a former POSCO employee said:

"Toward the end of 1986, TC came under a probe by Chongwadae audit and inspection authorities concerning foreign currency he had allegedly taken out of the country illegally. Cho Mal-su, then managing director in charge of the secretariat, was arrested for questioning. I understand after that the relationship between the two began deteriorating. TC "misunderstood" that Cho divulged other irregularities about him too, to authorities, while Cho himself believed that TC disliked him despite all his defense of the "boss" which was so determined that it even amazed investigators. Thus came the gap between them."

A TC insider retorted: "Nonsense! When Cho Mal-su emerged from the ordeal, TC, appreciating his service, promoted him to vice president. But Cho began acting arrogantly putting his nose in personnel management, taking advantage of his position as an insider. This prompted Chairman Pak Tae-chun to keep him at a distance."

Knowing who is telling the truth would be difficult without a face-off between the three—Mr. "K" who was the Chongwadae presidential assistant on audit and inspection at the time, TC, and Cho Mal-su. One thing clear is that the gap began widening between TC and Cho from that time on.

Cho Mal-su would make no comment on things concerning TC. By that, he means that saying this or that about TC at a time when his legal and political problems hang in the balance is in nobody's interest.

It is felt that Cho Mal-su may perhaps have some relationship with President Kim Yong-sam in that he is a PK [Pusan-South Kyongsang Province] man and a faithful Christian (Presbyterian). In fact, they have been acquainted with each other since the days when President Kim was the opposition leader.

According to an aide, Cho Mal-su first met with YS [Kim Yong-sam] in a Saemaul-ho express train one day in the latter half of the 1980's. YS, then president of the Reunification Democratic Party, was on his way to Pusan, together with Kim Tong-yong. Kim Tong-yong first found Cho Mal-su, his acquaintance, in the train and introduced him to YS. Cho and YS sat together from Suwon on and their "tete-a-tete" continued until the train arrived at Taegu Station.

Around the *Chusok* holiday in 1991, leaders of the Democratic Liberal Party [DLP] including Kim Chong-pil, Pak Chun-kyu, Yun Kil-chung, and Yu Hak-song toured the Kwangyang iron foundry. At the time, YS was visiting Masan and it was Cho Mal-su, then POSCO vice president, who went to Masan to "escort" him to Kwangyang by helicopter.

But a source close to TC contends that while it is true that Cho Mal-su has long been acquainted with YS, it was TC who brought them together. For many years, TC had Cho Mal-su, then his secretary, act for him as a contact with opposition parties. As a result, Cho came to establish rapport with those who are now in power, the source says.

According to the same source, Cho Mal-su's promotion to POSCO president was on a strong recommendation to YS by Mr. "E" who, like YS, is a graduate of Kyongnam High School and known to be a private adviser for the president on economic affairs.

According to a DLP lawmaker, who was once deeply involved in the founding of the Fifth Republic regime, "it is impossible for the president to appoint a person unknown to him to the top leadership of a large-scale public corporation such as the Korea Electric Power Corporation and POSCO. It is not important how they came to know each other, he said, but the main thing is if the president thinks he can trust him.

The biggest change following TC's retirement came with the sweeping "personnel reshuffle."

Eleven top-level officials left POSCO. Among them were Hwang Kyong-no, chairman; Pak Tuk-pyo, president; Yi Tae-kong and Yo Sang-hwan, vice presidents; Cha Tong-hae, auditor; Ku Cha-yong, managing director; Chang Kyong-hwan, assistant to the chairman receiving the same treatment as the president; Yi Sang-su, permanent adviser, and Hong Kon-yu, adviser. In the affiliated companies, 78 of the 158 executives were released from their posts. It was the largest reshuffle in POSCO history. Explaining the shakeup, Chang Chung-ung, a managing director in charge of a task force for improvement in the secretariat, public relations and management structure, said as follows:

"Those who left POSCO can be divided, roughly, into three groups—first, people who were "excessively" involved with the political position of former Honorary Chairman Pak Tae-chun; second, those who were legally brought to justice; and third, officials who had to leave as a result of reorganization."

Organizationally, POSCO had streamlined its 90 departments and 379 offices/divisions into 85 divisions and 349 offices/divisions in early January. It was further reduced to 76 departments and 335 offices/divisions after the stockholders meeting in March, and this led to the separation of some 90 executives from POSCO and its affiliated firms. Among them were officers in nonessential posts such as those sent in by other agencies and those holding posts concurrently, it was explained.

Then, who were they who were viewed as belonging to the TC clique and had to leave POSCO with him? They can again be divided into two groups—those who took part in the founding of POSCO with TC, and the insiders closest to TC called the "Yangsan mafia."

Among the first group were Hwang Kyong-no, Yi Sang-su, Hong Kon-yu, Chang Kyong-hwan and Yo Sang-hwan, and from affiliated companies, Choe Chu-son, president of Koyang Trade Co., and Kwak Ching, chairman of Koyang Shipping Co. Hong Kon-yu, currently staying in Japan, is helping out TC. Also ousted were Choe Chong-yol, chairman of Kyongan Trade Co.; O Il-yong, president of the steel engineering company; Kim Tu-na, president of the steel chemical company, and Kim In-ki, chairman of POSDATA, who are all over 60 years of age and worked for POSCO in its early days.

The second group includes Pak Tuk-pyo, president; Yi Tae-kong, vice president; Ku Cha-yong, managing director; Cha Tong-hae, auditor; Kim Yun-hyon, managing director, and Kim Kwang-nam, director. All of them but Yi Tae-kong are from Yangsan, South Kyongsang Province; they once formed a power clique inside the company and were called the "Yangsan mafia" by employees. Yi Tae-kong, a native of Pohang and graduate of Kyonggi High School and the SNU law school, was known to be one of those closest to TC, although he was not from Yangsan.

On the other hand, some made a comeback after the new leadership took over. They are Managing Directors Yi Tong-chun, Cho Kwan-haeng and Kim Chin-su. Yi is a graduate of Posong High School and the SNU law school; Cho, Kyongbok High School and the SNU law school; and Kim, Kyonggi High School and the SNU business administration school. Yi Tong-chun, who had left POSCO twice in the past, is known as a "man of integrity." He was dismissed for saying things straightforward to TC at official meetings.

In respect to their comeback, a POSCO executive explained: "I understand that they were picked for their outstanding abilities in their fields—Director Yi in personnel and labor, Director Cho in industry-university-research institute liaison, and Director Kim in steel marketing—and that the company now needs their services by all means."

POSCO officials react strongly against the assertions seeing the series of moves by the new leadership for a "born again" POSCO only as a "de-Pak Tae-chun-ization movement." Kwon Hyok-su, chief of the Business Culture Division, said:

"Some claim that we are trying to erase everything related to former Honorary Chairman Pak Tae-chun. This is no more than a mere conjecture. Take a look at the recent publication FROM YONGIL BAY TO KWANGYANG BAY, showing the 25-year history of POSCO, or pay a visit to our head office, and you will see everything relating to POSCO history preserved intact. We only removed some of the handwritings by the former honorary chairman from the company walls, for there had been criticism that they were hanging in too many places."

In fact, still hanging in the entrance of the POSCO Information Center ia a large photo of three persons—then President Pak Chong-hui, Pak Tae-chun, and then Deputy Prime Minister Kim Hak-yol—at the POSCO ground-breaking ceremony pushing the blasting button. Also left intact, together with the signature of Pak Tae-chun, are a tree planted in commemoration of the opening of the center and TC's inscription "Fruit of Blood and Sweat" in front of the hot rolling plant. A commercial video made by POSCO also shows Pak Tae-chun, but not Chairman Chong Myong-sik nor President Son Mal-su.

The inscription of the title of the company journal MOLTEN IRON on the cover was recently changed from the original Pak Tae-chun handwriting to a regular calligraphic style. This also appeared to be part of the "de-Pak Tae-chun-ization." Kwon explains, however:

"MOLTEN IRON" is all right as a word symbolizing iron and steel industry. However, for our current diversification efforts, including branching out into the information communication field, it is not considered suitable as the title of the journal. While only the calligraphic style has been replaced this time, we are planning to replace the title itself with one conveying a new and progressive image more effectively."

Since the new leadership took over, POSCO conducted opinion polls in the company on six occasions and employees are said to have presented their suggestions on various matters, including that "employees be allowed to wear ordinary clothes and regular shoes when reporting to work," that "lines on the safety helmet showing ranks be discarded," and that "the present company song reminiscent of a war song be changed."

Among them, an absolute majority (80.4 percent) demanded that the company name be changed. In the Kwangyang area in particular, 87.3 percent requested the name change.

The name change issue has run into opposition from the local community, but POSCO officials basically feel that the name should be changed sooner or later. They cite three reasons at least. First, with the completion of the Kwangyang iron foundry, the place name of Pohang can hardly represent the company's location. Second, in view of the ongoing internationalization, the present name is too lengthy. The world's major steel corporations are using their country names like U.S. Steel, Shin Nippon Seitetsu of Japan, and British Steel. And third, there is a need for a new name more suitable to a world-class steel company. At a special board meeting of the International Steel Association held in May in Prague, POSCO with a capacity of 21 million tons in crude steel was officially recognized as the world's No. 2 steel maker, beating the

French rival company. Number 1 was Japan's Shin Nippon Seitetsu with an annual capacity of 25 million tons in crude steel.

POSCO officials plan to invite the public to join in a prize contest for a new company name and officially adopt it at the regular stockholders meeting early next year. However, Company President Cho Mal-su says that even after the name has been changed, the internationally renowned trademark "POSCO" will continue to be used.

Chairman Chong declared 1 April "the New POSCO Day" marking the 25th anniversary of the company's founding. He put it forth as the immediate tasks to purge the company of irregularities, overcome authoritarianism and innovate management structurally. Twenty days after taking office, he officially declared POSCO's "break with the past," internally and externally.

The first reform effort by the new leadership took the form of personnel shakeup and organizational curtailment as mentioned above. Externally, the management announced a price freeze on POSCO products and a shortening of time honoring bills for delivered supplies and subcontractors from the 71 days in the past to 55 days.

Internally, a freeze on wages and a bonus system was introduced. At the same time, steps were taken to carry out employee suggestions adopted from the opinion polls.

Meanwhile, for two weeks beginning 21 June, 643 section chiefs and lower- grade personnel plus 141 supply firms were polled on their responses to "the 100 days of the New POSCO." In the survey, a vast majority—82 percent of the personnel and 80 percent of the supply firms—gave it positive ratings. In respect to the speed of reform, only 15 percent of the personnel found it "too fast" while 50 percent saw it as "normal" and 35 percent "slow," indicating that a majority of employees are even hoping for bigger changes.

An informed source says that TC was both an "enormous asset" for POSCO and an equally huge "liability that had to be liquidated" sooner or later.

Meanwhile, Professor "O" who has been teaching at Pohang Engineering College since its opening says that "in short, POSCO of the TC era was like (Mazinga Jet). Whenever TC ordered "Forward!" the whole POSCO trudged on forward like Mazinga Jet. That led to what POSCO is today, I believe."

The Mazinga Jet style, the professor notes, could indeed be a management style helpful to a steel maker in that it ensures order and driving force, but it has its drawback in that it deprives employees of opportunities to exercise their ingenuity.

The metaphor employed by Professor "O" has something in common with the cynicism of a POSCO executive when he said that "in the TC days there was no difference between the second place and the 20,000th place. TC would often be compared to former President Pak Chong-hui in that both were thoroughly practiced one-man rule.

Mr "C," a chief clerk, said: "I recall that in the Third Republic days, many said that there would be no Korea but for President Pak Chong-hui. Was it really so? It is the same with POSCO, I tell you."

POSCO people are unanimous in saying that TC should have made an unequivocal choice between politics and business. A common observation among them, a rather sad one, is that he belatedly began running after two hares and found himself catching neither—and in a personally tragic finale.

TC left for Japan on 10 March, two days before the stockholders meeting, for the reason of medical treatment. He has since been in total seclusion. Cho Yong-kyong, a former aide, visited him two or three times monthly before he left for the United States for study on 18 September. The following is an interview with Cho prior to his departure, on how TC was getting along:

—How is his health these days?

[Cho Yong-kyong] "He has no problems except a lump below the pleura. Since it is not growing bigger, it appears to be benign. The observation is continuing."

—I hear that he may go to the United States for treatment ...

[Cho] "Even if he wishes to go, he cannot. If Mr Pak should go to the United States, they would say right away that he is "seeking asylum," wouldn't they?"

—Would you comment on Mr. Pak's present state of mind?

[Cho] "He is just hoping that people will forget him. And he is wishing those detained (Hwang Kyong-no, Yu Sang-pu and others) for an early release. He is also wishing from the bottom of his heart that things will go well with the Korean economy. If I am allowed to say one more thing, he must be wishing that his personal financial situation will get better, too."

Pak Tae-chun's retirement allowance from POSCO was 250 million won. After tax, he received 208 million won. Since he was not allowed to take it to Japan, it is reportedly being managed by his daughters. His residence in Puk Ahyon-tong has been attached since 25 August. His wife and son are currently with him in Japan.

—Is it true that Mr. Pak asked the United States, China and Vietnam to invite him over? He reportedly met with Father Hogan (an expert on steel who once served as POSCO adviser on external affairs) in Tokyo ...

[Cho] "As I said, Mr. Pak is not free to travel. So, he unsuccessfully tried to invite a renowned herb doctor from China for the treatment of the lump. As far as I know, he did not see Father Hogan but Father Hogan sent him a letter of invitation to America. Mr. Pak of course did not accept the invitation."

—When do you think Mr. Pak will return to Korea?

[Cho] "As you know, he is under suspended indictment. He will be taken into custody as soon as he returns. In addition to the health problem, he seems to be thinking that his return now might lead to more arrests. I cannot tell myself when he will return."

—Following a recent tax audit, it was disclosed that while in POSCO, Mr. Pak was in control of off-the-book funds in ten accounts under aliases and borrowed names. The public opinion was that nevertheless, the investigation into the political fund scandal involving him turned up almost nothing. Is Mr. Pak aware of this development?

[Cho] "I know nothing about Mr. Pak's money problems because they are outside my job. With regard to the alleged accounts under aliases and borrowed names, I heard him say that "I have no knowledge of those accounts." You are suggesting that he might perhaps have political funds yet to be unveiled, but you know the fact that some 100 to 200 investigators looked into every nook and cranny for five months. What else could there be still hidden after that?"

Cho Yong-kyong admitted that TC made some errors about his political career. But TC retired from politics and even resigned as honorary chairman of POSCO. Socially, he is "in a vegetative state," Cho said, adding that it really hurts him to see TC denounced so unreasonably.

It can be said that the rebirth of the steel giant as represented by the New POSCO policy begins with "overcoming authoritarianism." The management and employees are unanimous on this point, for authoritarianism is, in a sense, the greatest legacy of the TC one-man leadership. As admitted by an official in charge of public relations, it is a fact that in the past, all POSCO achievements were played up as if they had been an accomplishment of one individual, TC. As a result, POSCO, an "enterprise of the people," was more often than not viewed as TC's private possession. To prove it, the change of leadership spawned widespread concerns, many questioning "Can POSCO do without Pak Tae-chun?"

Against the prevailing concerns, however, its performance in the first half year under the new leadership was excellent. The sales reached 3.436 trillion won, a 14.4 percent increase over the same period last year, while the after-tax net profit grew a whopping 40.7 percent to 133.9 billion won. The achievement is especially noteworthy in that it was attained amid the price freeze which POSCO carried out on its products in compliance with the government policy. On 29 July, the management paid all employees a bonus equivalent to 150 percent of the monthly salary. This brought the first sigh of relief to the management which had imposed the freeze on wages and introduced the bonus system.

While the management credits the performance of surpassing the target by far to the spread of a self-regulatory atmosphere among employees, it is also undeniable that external factors such as the appreciation of the Japanese yen, China's special procurements and a shipbuilding boom greatly contributed to it.

On 17 March, the POSCO Seoul office became the first to abolish the system of employees wearing the company uniform. Other rigid company regulations have also been scrapped or revised one after another; for instance, the lines showing ranks were removed from the safety helmets, and employees can wear ordinary clothes and regular shoes when reporting to work. Also, the staff meeting, which was held four times a week, is now held twice a week. Since the beginning of September, the authority of lower-level officials has been drastically expanded, with the matters needing approval of the president reduced from 106 items to 43. In the case of the vice president and directors, they were reduced by 44 and 69 items respectively to 165 and 321. On the other hand, for division chiefs, they increased from 109 to 163 items.

Hong Sang-pok, head of the Pohang foundry, explained that these changes represent the process of shifting from the "upper order and the lower obey style" to a new "let the upper know of the will and ideas of the lower echelons" style.

He said: "In the past, new or expansion projects were undertaken once every two years on average. Because of this, upper-level executives kept issuing orders and lower-level employees were kept busy following them. But the completion of the fourth-phase Kwangyang project last year marked an end to the facilities expansion program. Now, it is not quantity but quality that has become important. If we hang on to the old style, we cannot be competitive. Under a system in which everyone is preoccupied with pleasing the superiors, it is impossible to get actual developments at work sites to be reflected in management. This inevitably leads to falls in labor productivity. The new work style is absolutely necessary for improvement in labor productivity, too."

POSCO's immediate task is to develop "slim" management by minimizing the working force and maximizing labor productivity. As part of that effort, it announced plans to reduce the present 28 subsidiaries to 17 by 1996 through mergers and sales.

While striving to reduce structure, manpower and the number of affiliated firms, POSCO is getting ready to branch out into a new field—information communications. From early on, POSCO has been developing its own information communication functions for control of the huge quantities of materials it moves—70 million tons a year, the highest in the country. It already has substantial know-how in this field. Also, when a steel industry runs into the red, the size of the red figure tends to be enormously large because of the nature of the industry. So, POSCO decided to branch out into the information communication field for diversification, it is said.

POSCO made public its "ethical program" on 21 July. It was the first enterprise in the country to do so. As said in its preamble, the point is that POSCO will "make the necessary change to be born again while maintaining its brilliant tradition." Noteworthy is the "no involvement in politics" pledge in the program stating that POSCO "shall make no contributions to specific individuals or parties."

POSCO is an enterprise of the people in which the people won twice as many shares (41.4 percent) as the government does (20 percent), despite the fact that the latter controls personnel management. Not to repeat the disgrace of the "Pak Tae-chun kingdom," it must not allow itself to be reduced to the status of a "lady in waiting" preoccupied with pleasing the government. It can be said that whether or not POSCO will be born again as a true enterprise of the people rest on the shoulders of all POSCO men who are crying for a New POSCO.

Burma

Thai Security Council Delegation Arrives

BK2811143893 Rangoon Radio Burma in Burmese 1300 GMT 28 Nov 93

[Text] As a guest of Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, a 10-member delegation led by General Charan Kunlawanit, secretary of the Thai National Security Council [TNSC], arrived in Yangon [Rangoon] by special airplane this evening.

The delegation was welcomed at the Yangon Airport by U Nyunt Swe, deputy minister of foreign affairs; Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence [DDSI]; Col. Thein Swe, Myanmar [Burmese] military attache to Thailand; Wirasak Futrakun, ambassador of Thailand, and responsible personnel. The delegation then visited the Shwe Dagon Pagoda.

At 1830 today, Lt. Gen. Khin Nyunt received the delegation led by Gen. Charan Kulawanit at the Defense Services' Guest House on Inya Road. Col. Kyaw Win, deputy director of the DDSI, and Col. Thein Swe, Myanmar military attache to Thailand, were also present at the meeting. At night, the secretary-1 hosted a dinner in honor of the delegation.

Minister Leaves for Kuwait Olympic Meeting

BK3011030193 Rangoon Radio Burma in Burmese 1330 GMT 29 Nov 93

[Text] A Myanmar [Burmese] delegation led by Brigadier General Lun Maung, chairman of the Myanmar National Olympic Committee and minister of the Prime Minister's Office, left Yangon [Rangoon] Airport at 1600 today to attend the 12th meeting of the Asian Olympic Council in Kuwait. Brig. Gen. Lun Maung and his delegation were seen off at the airport by Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC]; Brig. Gen. Thaung Myint, minister of social welfare, relief and resettlement; U Win Sein, rail transport minister; U Myint Tun, director general of the Cabinet Office and director general of the Department of Sports and Physical Education; responsible officials; and friends and relatives. The Myanmar delegation includes U Tun Kyi, mayor of Mandalay, and U Kyaw Mya, secretary of the Myanmar Olympic Committee and director of the Department of Sports and Physical Education.

Radio Notes 69 'Insurgents' Surrender in Oct

BK3011140893 Rangoon Radio Burma in Burmese 1330 GMT 30 Nov 93

[Text] Members of terrorist insurgent organizations, who have come to realize their wrongdoings and after accepting the work being undertaken and the genuine goodwill of the State Law and Order Restoration Council, have been giving up their armed struggle and continuously surrendering with their arms and ammunitions at various military camps. Twenty terrorist insurgents returned to the legal fold between 17 and 31 October. It has been learned that during October a total of 69 insurgents gave up their armed struggle and were warmly welcomed by responsible personnel concerned at various camps.

Brunei, Malaysia & Singapore

Malaysia

Finance Minister Appointed New Deputy Premier

BK0112083093 Kuala Lumpur BERNAMA in English 0809 GMT 1 Dec 93

[Text] Kuala Lumpur, Dec 1 (OANA-BERNAMA)—Finance Minister Anwar Ibrahim, 46, was Wednesday appointed Malaysian deputy prime minister. He succeeds Ghafar Baba who resigned on October 15. A Prime Minister's Office statement which announced the appointment said Anwar will continue to hold the finance portfolio.

The statement also announced the promotion of deputy minister Abdul Ghani Othman, 47, to full minister. His portfolio will be determined later. The apppointments takes effect Wednesday.

Anwar was returned unopposed as deputy president at the November 4 general assembly of Dr. Mahathir Mohamed's United Malays National Organisation (UMNO), replacing 68-year-old Ghafar who did not seek reelection. UMNO is a major component of the ruling National Front coalition and traditionally, those holding the top two post in UMNO, are appointed prime minister and deputy prime minister in the government.

Ministry Issues Second-Quarter Trade Report

BK0112064693 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Dec 93

[Text] Malaysia's total exports grew by 22.3 percent to 30.4 billion ringgit in the second quarter of this year compared to 14.2 percent in the corresponding period in 1992. The Ministry of International Trade and Industry says the country's total exports to its major industrialized trading partners increased despite recesssion and slow growth in many industrialized nations. Exports to countries in Northeast Asia, Africa, Central and Latin America, West Asia, Oceania, Indochina, and ASEAN member countries also increased during the period.

In its 1993 trade and industrial performance second-quarter report, the ministry said total imports had also grown by 20.8 percent to reach 29.6 billion ringgit as against the negative growth of -1.5 percent in the second quarter of last year. The surge in imports was attributable to the increase in the import of commodities.

According to the report, the growth in total exports was propelled by the continued strong performance in the export of agricultural products, primarily palm oil. The exports of manufactured goods increased to 73.2 percent in the second quarter.

Singapore

Army Exercise With Indonesia Ends 26 Nov

BK2611151893 Singapore Singapore Broadcasting Corporation in English 1400 GMT 26 Nov 93

[Text] The fifth Indopura [Indonesia-Singapore] army exercise between Singapore and Indonesia ended today. A series of military exercises is to strengthen bilateral ties and defense cooperation between the two countries. It has been held annually since 1989, and this year's exercise is hosted by the SAF [Singapore Armed Forces]. The exercise was extended to companies and platoon levels for the first time, and they used the computerized war games for their venue. Over 100 officers and men from both sides took part in the three-day exercise.

Editorial Optimistic About Economic Success

BK3011112093 Singapore THE STRAITS TIMES in English 30 Nov 93 p 26

[Editorial: "And Now, For the Fruits"]

[Text] A year ago, Senior Minister Lee Kuan Yew warned at the People's Action Party conference that unless Singapore built an external economy like other NIEs [Newly Industrialized Economies]—and fast—this country was in danger of becoming another failed economic success story. Today, there is ample evidence that his warning had been heeded by captains of business. In recent months, Singapore investments abroad have fast become daily news, based on media reports of agreements, plans or groundbreaking ceremonies in countries that cut a swathe through South-east Asia. Development of power plants, industrial parks and townships has joined the list of lone hotels, shipyards or soft drink plants that used to sum up Singapore's venture beyond the tried and tested fringes of its borders. In this month alone, a Singapore-controlled brewery opened in Ho Chi Minh City; a Singapore-dominated consortium won exclusive rights to develop several pockets of land in Ningbo; two Singapore- owned hotels had their groundbreaking ceremonies in Yangon [Rangoon] and a Singapore consortium signed an agreement to develop a technology park in Bangalore.

It would be naive to suggest that before Mr. Lee spoke, no Singapore firm had staked any capital in countries now seeing a flurry of Singapore money. Interests there had been. The brewery in Vietnam was conceived well before his warning came. Witness, too, Singapore's 30 per cent stake in an oil supply base in China taken almost a decade ago and the fact that a Singapore family business had been negotiating fruitlessly for three years in Vietnam over a township project. But most of the earlier ventures were small, occasional, without the support of the Singapore Government and made more on whim or chance than part of an overall business strategy.

What Mr. Lee's landmark speech did was to give entrepreneurs a metaphorical shaking up. They learnt in the bluntest terms that an external wing was an imperative, not a desirable alternative for excess capital. He also prescribed that private entities and government-linked companies make a united thrust into foreign lands, where using pooled capital, contacts and expertise would ensure a greater chance of success than if individual outfits were to sally forth and perhaps end up competing with one another for the same piece of land, project or concession. His targets have risen to the challenge. This year alone, Singapore's investment commitments in China, for example, came to $1.6 billion—equal to their accumulated total between 1979 and 1992. It is probably no coincidence, too, that China-Singapore International, the consortium that won the Ningbo mandate, came into being only in March this year. It is also no coincidence that GLCs [expansion unknown] have been in the forefront of consortiums joining hands with the private sector, the occasional statutory board, foreign partner or even well-heeled individual to grasp opportunities beckoning from Subic Bay to Qingdao, from Wuxi to Hanoi.

However, securing land, contracts and investment approvals is but the start of what must be a long trek. Singaporeans must accept that not all investments will go smoothly. Some could be aborted, like two involving three Singapore companies in China this month. Others could go sour. As Mr. Lee said, if two out of three who venture abroad win, the nation would have made a big gain. He also said Singapore would be lucky if it could sprout a second wing within 10 years. For one that accounts for 25 to 30 per cent of its GDP [Gross Domestic Product], it could take 20 years or one generation to achieve. If they bear this time-frame in mind Singaporeans going into business abroad and those at home backing them with capital will learn to be more patient about any turbulence that their external wing should encounter in the short to medium term and not lose heart. The fruits will be there for those who work and wait.

Long-Term Economic Growth Potential Estimated

BK3011101493 Singapore BUSINESS TIMES in English 29 Nov 93 p 1

[By Anna Teo]

[Text] Singapore—The long-term growth potential of the Singapore economy may yet be a few points higher than the official projection of 4 to 6 per cent, several analysts say. Except for three quarters last year, Singapore has been posting gross domestic product (GDP) growth of above 6 per cent every quarter since 1987 when it pulled out of the recession .

Annual growth averaged almost 9 per cent between 1987 and 1991. It moderated to 5.8 per cent in 1992, but rebounded strongly this year hitting a high 10.4 per cent in the second quarter before easing to 9.2 per cent in the following three months. Growth in the current quarter, and 1993 as a whole, is expected to be about 9 per cent.

The Ministry of Trade & Industry has said the recent rapid growth, fuelled by robust manufacturing exports and a stock market boom, cannot be sustained, and expects the rate to ease to 6-8 per cent next year.

Says Richard Armstrong, head of research of BZW Pacific-Union: "The current growth rates are not sustainable in the long term. We think the average over the next five years is more likely to be 5 to 6 per cent."

In its 1990-91 annual report, the Monetary Authority of Singapore [MAS] concluded from its analysis of Singapore's medium-term work force and productivity outlook that the economy's underlying growth potential was no more than 6 per cent, barring big inflows of foreign labour.

While shifts in external demand can be expected to add or shave a few points off the growth rate in the short term, the economy's underlying potential in the medium to long term is determined by supply constraints, it added.

The indigenous labour force is expected to grow by one to 2 per cent annually and productivity by 3 to 4 per cent a year.

Above-trend growth during 1987-89 had resulted in an overheated labour market and, consequently, increased wage-induced inflationary pressures, the MAS noted.

Economists and analysts say the 4-6 per cent projection, while conservative, remains realistic today, but some see "regional factors" adding a few bonus growth points. In particular, they note that the recent quarters of strong growth had been achieved without the attendant increase in manufacturing employment or unit business costs.

"A lot of the growth this year has come from productivity gains," notes Paul Schymyck, regional economist of Hoare Govett Securities.

This is particularly so in the manufacturing sector, which is not showing any sign of decline at the moment, he adds. Mr. Schymyck reckons the economy can sustain 6 to 8 per cent growth over the next five years.

Another broking firm, Credit Lyonnais Securities, also projects a long-term growth of 6 to 8 per cent for Singapore, assuming the economy maintains its high savings and capital spending rates.

"We should be aware that the trend would be around there but we should not stick to a 4 to 6 per cent mindset," says Smith New Court economist Song Seng Wun, noting that fears of inflationary pressures from excessive growth "haven't materialised" in recent quarters.

Smith New Court's analysis of Singapore's growth potential suggests 7 per cent for the long term. Summit Securities' Tan Ee Khoon thinks the annual GDP increase "can be 5 to 7 per cent" over the next five years.

Nomura Research Institute's projection for Singapore up to the year 2000 is 6.1 per cent a year, says managing director H. Nakayama. This assumes stable world growth of 2.8 per cent a year through the 1990s, and political stability in the region.

University economist Toh Mun Heng says 4 to 6 per cent growth in the long term is "realistic" but believes that regional dynamism may add one to two points to the projection.

Chow Kit Boey, director of the National University of Singapore's Centre for Business Research & Development, says long-term growth will average 5 to 6.5 per cent.

"What we have experienced recently is the expansionary phase of the classical cycle. Growth may have peaked. Any higher is not sustainable," says Miss Chow, who forecasts 8.8 per cent growth this year and 7 to 7.5 per cent for 1994.

The last trough was during the 1985 recession, and 1992 saw what's known as a growth recession. And, unlike in the earlier growth cycles, the economy is now maturing, she points out.

Cambodia

KR Says Ranariddh Rejects Sihanouk Offer

BK3011144793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 1200 GMT 30 Nov 93

[King Norodom Sihanouk's "message" to Khieu Samphan, president of the Party of Democratic Kampuchea—read by announcer]

[Text] His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia;

To His Excellency Khieu Samphan, president of the Party of Democratic Kampuchea;

Most beloved and esteemed excellency: I and my wife have received your two messages dated 20 and 26 November 1993 expressing the noble sentiments of your excellency and your colleagues in the Party of Democratic Kampuchea and those of our compatriots toward my message and essay that I published recently.

I and my wife most deeply thank your excellency and all your colleagues for the above-mentioned messages and your wishes for my prompt recovery.

I also would like to inform your excellency that Prince Krompreah Norodom Ranariddh has already rejected my proposals on the possibility of according your party several portfolios—such as co-ministers, co-deputy ministers, and co-secretaries of state—to help solve the problem of our motherland in the spirit of national reconciliation, on the grounds that these proposals are unconstitutional.

I have done my duty. From now on, it is the royal government alone which must bear all responsibility toward the nation.

Your excellency and all your colleagues in the Party of Democratic Kampuchea are asked to please accept our deepest and warmest regards.

[Signed] Norodom Sihanouk
[Dated] Beijing, 27 November 1993

Induction of Former KR Soldiers Called 'Farce'

BK0112032393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 Nov 93

["Communique of the spokesman of the Party of Democratic Kampuchea;" dated 27 November—read by announcer]

[Text] I. A new farce was staged on 25 November 1993 in an attempt to deceive the national and international public into believing that those defected Khmer Rouge soldiers have been given this and that rank.

II. The Cambodian nation and people both inside and outside the country, including the compatriots in Phnom Penh and many national newspapers, exposed this politically ill-intentioned abominable farce right after it was planned at the beginning of September. Newspapers in Phnom Penh even unveiled clear cases attesting to the abominable hoax that the entire nation and people strongly detest and reject. The spokesman of the Party of Democratic Kampuchea [PDK] has exposed and rejected this outdated farce.

III. In fact, this farce has been staged in order to confer ranks on some misled persons from some rural areas, some provinces, and some areas in Phnom Penh. These persons have been deceived into buying military ranks such as lieutenant, colonel, and general ranks, in exchange for a certain amount of salary. This is in an attempt to continue kindling the war in Cambodia in line with the policy of the Vietnamese communists and their allies. It especially is in order to enable the Vietnamese communists to carry on their Vietnamization to turn Cambodia into another Kampuchea Kraom [ancient Cambodian territory annexed by Vietnam].

IV. These elements have continued staging such abominable farces, despite repeated rebukes, condemnations, and rejection by the Cambodian nation and people. This clearly attests to the Vietnamese communists' mode of telling lies; that is, just keep on lying, sooner or later it will certainly be accepted as true.

V. The Cambodian nation and people are well aware that Democratic Kampuchea is really very patriotic while the Vietnamese communists and their puppets [words indistinct] are the aggressors, lackeys of the Vietnamese communists, and those who suck the blood of weak people across the world.

[Dated] 27 November 1993
[Signed] The PDK spokesman

Hun Sen, Tie Banh Meet With Military Officers

BK0112103193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 30 Nov 93

[Text] His Excellency [H.E.] Hun Sen, second prime minister of the royal government of the Kingdom of Cambodia and co-commander in chief of the Khmer Royal Armed Forces [KRAF], recently visited high-ranking officers of the KRAF. Also participating in the get-together were Samdech Chakrei Nhoek Chulong, military adviser; Prince Norodom Sirivut, deputy prime minister and minister of foreign affairs and international relations; H.E. Sar Kheng, deputy prime minister and co-minister of the interior; and the ministers, state secretaries, and under state secretaries from various ministries of the royal government.

Also present were the commanders of the KRAF General Staff and many high-ranking military officers.

Speaking on the occasion, H.E. General [Gen.] Tie Banh, co-minister of national defense, made a significant speech noting the heavy tasks of the KRAF, which have to brave difficulties so as to join the people and royal government in restoring and rebuilding the country under the leadership of His Majesty King Norodom Sihanouk Varaman of the Kingdom of Cambodia.

On the same occasion, H.E. second Prime Minister Hun Sen praised the KRAF for their big feats following the integration of the armed forces into the KRAF, in the spirit of unity and determination to succeed, and as in the good traditions of the army in the era of Sangkum Reas Niyum. He also exhorted all high-ranking officers to firmly cling to their duties as the KRAF must take part in restoring the economy and social infrastructure such as building roads, bridges, reservoirs, and other irrigation networks, and take on relief work such as during floods and fires. He added that at the same time, it is imperative to maintain and effectively control the forces, materiel, and [words indistinct].

After the conversation, Gen. Am Sum, chief of the Fifth Department, on behalf of the KRAF officers and men, made a pledge to follow His Majesty King Norodom Sihanouk Varaman's national reconciliation mission and always be loyal to the country, religion, and king.

Defense Ministers Discuss Military Situation

BK0112082393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 30 Nov 93

[Text] Their Excellencies Generals Tie Banh and Tea Chamrat, co-ministers of national defense, gave an interview on the afternoon of 26 November at the office of the Foreign Relations Department to national and international journalists on the current situation in the Kingdom of Cambodia. The co-ministers spoke about the security and military situation and said at the beginning of the current dry season, there were no serious activities in the areas confronting the forces of Democratic Kampuchea [DK]. But in some other areas, people's villages and communes remained under constant attack by DK forces.

The co-ministers said that the Khmer Royal Armed Forces [KRAF] have a heavy burden in providing security and safety for the people in the Kingdom of Cambodia.

In reply to an AFP correspondent's question on the integration of the former three parties' armed forces with the exception of the DK forces, the two co-ministers said there were no noteworthy bad consequences. The KRAF have been able to fulfill their tasks effectively. The KRAF structures have now been rearranged to facilitate their work performance and command.

Khmer Rouge Reportedly Stepping Up Attacks

BK0112120293 Phnom Penh AKP in English 1005 GMT 1 Dec 93

[Text] Phnom Penh AKP December 1—In a week ended on November 26, the Khmer Rouge guerrillas have stepped up its military activities against the royal government positions in Kompong Thom areas, according to a government official.

In a press briefing held here today Sieng Lapresse said Khmer Rouge's divisions 980, 912, 417, 616 and 785 moved together to form what they call "the front line 1001."

The front line "1001" is under Ta Mok's command, he said.

Krayea, some 20 km from Stoung District, Kompong Thom Province, fell into the hand of the Khmer Rouge last week, he said adding the area is "so populated that we could not counterattack."

In fighting around the areas, 16 government soldiers were killed, 7 wounded, and 4 reported missing. Three local policemen were captured by Khmer Rouge, and four villagers killed and other 6 injured. Six Khmer Rouge soldiers were killed.

Meanwhile, Sot Nikom and Chikreng Districts, some 60 km east of the provincial town on Siem Reap came under Khmer Rouge's artillery attacks.

Cambodia's second Prime Minister Hun Sen in a press conference yesterday also said that fighting in the Stoung areas from November 24-26 were serious. However he played down the attacks by Khmer Rouge in comparison with those happening during the time before and after the May general election organized by the UN.

Sieng Lapresse also made known that on November 14, Thai military aircraft made one reconnaissance flight three kilometres inside Cambodian air space over the area of Preah Vihear.

Indonesia

Talks Held With Singapore on Riau Islands

Singapore Minister Arrives

BK3011104293 Singapore THE STRAITS TIMES in English 30 Nov 93 p 1

[By Jakarta correspondent Paul Jacob]

[Text] Jakarta—Deputy Prime Minister Lee Hsien Loong yesterday underlined Singapore's commitment to cooperation with Indonesia, saying economic ties would continue to be "broadened and deepened", particularly in the Riau islands. After a 15-minute courtesy call on President Suharto, Brigadier-General (Res) Lee told reporters that it was important to cooperate in ways which benefited both countries as well as the local population on the islands where the projects were being carried out.

The Deputy Prime Minister, who arrived here yesterday for a two-day visit said his meeting with Mr. Suharto at the President's Bina Graha office focused on the cooperation taking place in the Riau islands. Brig. Gen. Lee also met separately with Vice-President Try Sutrisno and State Secretary Murdiono.

A vice-presidential spokesman told reporters that the discussions between Brig. Gen. Lee and Gen. Try centred on the need for Indonesia and Singapore to look to the future and at ways of building on the good bilateral relations.

On regional issues, both men welcomed the emergence of the Asia-Pacific Economic Cooperation (APEC) forum, but agreed that it must not dilute the importance of existing groupings such as ASEAN.

Singapore and Indonesia, which have maintained close links through the Growth Triangle—covering Singapore, Batam and Johor—signed a landmark pact in August 1990 to jointly develop Riau, which includes the Bintan and Karimun islands, and parts of Sumatera.

The agreement, which was followed up by specific cooperative ventures, covered three major sectors: industrial estates, tourist resorts and development of water resources.

Private sector projects now underway or being considered include the multi-billion dollar Bintan Beach International Resort, the Bintan industrial estate and an oil processing and terminal complex on Karimun island.

Brig. Gen. Lee did not go into the specifics of the projects, but said they were proceeding smoothly.

In response to a question, he said that he did not see major obstacles to cooperation, but acknowledged that some projects would be considered complicated and ambitious.

"There will always be issues to be resolved as a project is developed as new areas are uncovered. But I think it has progressed smoothly so far and I expect it to continue that way," he said at the news conference after meeting Mr. Suharto.

Brig. Gen. Lee is here principally to attend the fourth meeting of the Indonesia-Singapore Joint Ministerial Committee (JMC) for economic development of the Riau province.

The JMC meeting today is expected to take stock of projects in Riau and could also examine issues such as joint investment promotions and joint-marketing of Singapore and Bintan as twin tourist destinations.

Brig. Gen. Lee yesterday also met more than 20 leading Indonesian businessmen during an informal lunch and heard views first-hand about business development, investment prospects and bilateral ties. His visit coincided with the signing yesterday of a memorandum of understanding between the Kuok Group and Indonesia's Salim Group to develop a five-star resort hotel and golf course facility in Bintan's north shore, where five other hotels are also being planned.

A cheerful-looking Brig. Gen. Lee, on his first official trip overseas since he was diagnosed and treated for cancer, laughed when Indonesian journalists asked him about his health.

"I'm all right," he told them.

Countries Agree on Joint Development

BK3011134893 Singapore Singapore Broadcasting Corporation in English 1100 GMT 30 Nov 93

[Text] Singapore and Indonesia have given thumbs up to their cooperation in the Riau Province. Both sides are strongly committed to the success of joint projects there.

At the end of the fourth ministerial committee meeting to the joint development of the Riau Province, both sides are confident that Singapore and Indonesia as well as investors have much to gain from the cooperation. [Word indistinct] Bintan has a competitive advantage despite competitions from other investors in the region because Singapore and Indonesia complement one another.

Deputy Prime Minister Lee Hsien Loong and Indonesia's Coordinating Minister for Industry and Trade, Mr Hartarto, said they were pleased with the progress of projects on the Riau Islands of Bintan and Karimun. He was speaking after their closed-door meeting in Jakarta this morning.

On development of water resources at Bintan, (?General) Lee said he viewed that the site [word indistinct] has been done on the (Anjelek) reservoir in central Bintan. This is one of the projects that will supply water to Singapore eventually.

Benefits of Developing Riau Noted

BK0112114693 Singapore BUSINESS TIMES in English 1 Dec 93 p 3

[By William Chia in Jakarta]

[Text] The development of the Riau province will benefit Indonesia as well as Singapore.

This was emphasised by Indonesia's Coordinating Minister for Industry and Trade Hartarto and Industry Minister Tungki Ariwibowo when they spoke to reporters yesterday at the end of the Fourth Indonesia-Singapore Joint Ministerial Committee Meeting on the development of Riau.

Mr. Ariwibowo said Riau's development opened up employment opportunities for up to 200,000 Indonesian workers and provided foreign exchange earnings to further develop the economy. Also, Indonesia benefited from the transfer of technology and management expertise arising from these activities. But Riau was only one of the places that the Indonesian Government was promoting for investment in the country, Mr. Ariwibowo said. Indonesia has a competitive edge in attracting foreign investment because it has political stability, non-restrictive foreign exchange laws and plentiful supply of labour.

Mr. Ariwibowo said Indonesia had a large domestic market because of its population size and a fast-growing middle class. There was also an abundance of raw material and natural resources. Mr. Hartarto said he shared Mr. Ariwibowo's views.

Deputy Prime Minister Lee Hsien Loong, who represented Singapore at the meeting, said the link-up between Indonesia and Singapore to develop Riau was beneficial to both countries as well as investors involved.

There were several features which made the arrangement competitive, Brigadier General (Reserve) Lee said. The site is attractive as the area is close to Singapore and the two countries complement one another.

Singapore has access to international communication links as well as established companies which have set up there. It has infrastructure facilities which can service the Riau province. All these added value to the projects, Brig. Gen. Lee said.

At the same time, the Indonesian side in the Riau province offers land and labour at attractive rates. It also offers resources such as deep water facilities at Karimun island which allows the construction of an oil terminal at competitive cost. But the final test of the effectiveness of this Growth Triangle project would be whether investors come and succeeded in their projects, he said.

Protocol Signed With France on Financial Aid

BK0112071393 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 1 Dec 93

[Text] The Governments of the French Republic and the Republic of Indonesia have signed a protocol on financial aid. The protocol was signed at the Department of Foreign Affairs in Jakarta today by Wisber Luis, director general for foreign economic relations, and his French counterpart [name indistinct]. Under the agreement, the French Government will provide U.S.$122.5 million worth of aid for communications, telecommunications, health, scientific, and technological projects in Indonesia. The financial aid is made up of a soft loan with a 0.5-percent annual interest rate repayable in 40 years, including a 10-year grace period and a grant amounting to U.S.$1.6 million. The financial aid is a manifestation of the commitment the French Government made during the second meeting of the Consultative Group for Indonesia in Paris last June.

Two East Timor Rebels Surrender to Military

BK2911153093 Jakarta THE JAKARTA POST in English 12 Nov 93 p 2

[Text] Dili, East Timor—Two members of an armed separatist movement have turned themselves in to the authorities, the military said. Colonel Johny Lumintang, chief of the Wira Dharma Military Region, identified the two FRETILIN [Revolutionary Front for an Independent East Timor] members as Americo Dos Santos and Rosa Cabral. Both men surrendered at Ossu, a city in the Vikeke Regency. Americo gave himself up on Wednesday, carrying with him an M-16 rifle and 85 round of ammunition. Rosa turned up empty handed except for the rag he was wearing.

Increased Food Production on East Timor Noted

BK3011104393 Jakarta ANTARA in English 0825 GMT 30 Nov 93

[Text] Dili, E. Timor. Nov 30 (ANEX/ANTARA)—Food production in Indonesia's youngest province of East Timor in 1989—1992 totalled 2,992,778.19 tons whereas annual production during the 3-year period had increased by an average of 600,000 tons, official statistics showed. Data collected by the East Timor office of the trade ministry also indicated that the food crop cultivation area in the province during the same period had expanded by an average of 3,041.6 hectares a year.

In 1989, food crop production was registered at 157,469.12 tons with a harvest area of 6,012.54 hectares. The following year the figures rose to respectively 200,005.09 tons and 106,772.53 hectares, while the year 1991 saw an increase to respectively 222,389.98 tons and [word indistinct] hectares. For 1992, food crop production was recorded at 2,417,814 tons while the harvest area declined to 64,227.16 hectares.

Food crop production in 1993 is estimated to total 292,000.59 tons with a harvest area of 127,701.80 hectares. Among the food crops cultivated in this province are rice, corn groundnut, soybean, cassava and vegetables.

The increase in food crop production was described as an indication that East Timor has considerably cut back its dependence on other Indonesian provinces for the supply of, for example, rice.

In an effort to improve the agricultural sector, the provincial administration will expand the area of agricultural land tilled by the community, efficiently tap agricultural land potentials, make available irrigation facilities and intensify agricultural counseling.

Economic Growth Under Sixth Plan Estimated

BK2911160593 Jakarta THE JAKARTA POST in English 17 Nov 93 p 2

[Text] Jakarta (JP)—The government is projecting that Indonesia's per capita income will soar from the current US$650 to $1,000 in five years.

"The Indonesian economy is estimated to grow at least six percent in the sixth Five-Year Development Plan," Minister of National Development Planning/Chairman of the National Development Planning Board (Bappenas) Ginanjar Kartasasmita said yesterday.

The growth could be gradually increased to 6.2 percent per year on average, he said in his paper read by Sukirman, a deputy chairman of Bappenas, at a seminar on social development during the second phase of the long-term national development plan organized by the office of the Coordinating Minister for People's Welfare.

With the 6.2 percent growth, the government estimates that it can provide new jobs for 11.9 million people every five years, Ginanjar said. Totally during the long-term development spanning 25 years, 62 million people will have joined the labor force.

"We hope, the growth will particularly benefit those who at the moment still live below the poverty line," Ginanjar said.

During the first long tern development plan, it took the government two decades to lower the number of the people at or below the poverty line from 60 percent to 15 percent.

Ginanjar, however pointed out that in the future, efforts to combat poverty will be more difficult.

"This is because the greater number of the poor will be more centralized in poverty areas, thus helping them will be more and more difficult."

To anticipate this impending situation, Bappenas has prepared some packages specially designed to fight poverty. The packages encompass efforts to improve and step up urban development programs including Projek Impres (presidential-instruction based projects). Bappenas will also provide decentralized programs on the decision-making processes.

In this context, Ginanjar underlined the crucial role of Non Governmental Organizations (NGOs) in lending a helping hand to national development. The government, he said, will also place emphasis on the greater participation of the people in development.

"We deem it necessary to give wider opportunities to the people to join forces with the government in determining the course of our national development," Ginanjar said.

The seminar is being attended by around 60 people from various government bodies as well as from the private sector. At the conclusion of the seminar the participants are expected to draw up the drafts containing action plans to be taken to cope with social development problems.

Laos

Nouhak Phoumsavan Meets Envoys on National Day

BK0112090893 Vientiane KPL in English 0744 GMT 1 Dec 93

[Text] Vientiane, Dec 1 (KPL)—Lao PDR [People's Democratic Republic] President Nouhak Phoumsavan, this morning, received at the Presidential Palace members of diplomatic corps and international organisations to Laos on the occasion of the 18th founding anniversary of the Lao People's Democratic Republic and on the international new year 1994.

On the occasion, the foreign envoys expressed warm greetings and best wishes to the president. Australian Ambassador to Laos Michael Mann, who is acting dean of the diplomatic corps, made a speech on behalf of them. Following is the full text of the speech:

"It is a great honour and a privilege for me to have the opportunity today as acting dean of the diplomatic corps to make a speech on the occasion of Lao national day, the 18th anniversary of the founding of the Lao People's Democratic Republic.

"The Lao Government has had many difficulties to face in bringing a war-torn country together to allow it to develop.

"I am sure I can speak on behalf of my colleagues when I point to the remarkable changes which have taken place in Laos since the new economic mechanism was introduced. The living conditions and prosperity of the Lao people has certainly improved.

"As many can testify after travelling in your wonderful and beautiful country much is happening in the area of infrastructure development, education and health and general economic improvement which will greatly assist the Lao people.

"Nevertheless, much remains to be done. My colleagues will agree with me when I say that the Lao people and their leaders have the energy, strength, vision and resilience to undertake the tasks ahead of them and achieve acceptable outcomes while ensuring the characteristics of a just Lao society remain intact.

"The achievements to date could not have occurred without the diligence and strength of purpose of those at the helm of power. It is most regrettable and unfortunate that at this time last year the Lao people lost then President Kaysone Phomvihan who had seen the Lao PDR through difficult times onto the road to prosperity.

"The geo-political situation in the world has changed considerably in the past years. Rather than trying to quarantine itself from these forces of change the Lao PDR has met the many challenges facing it in dealing with foreign countries on the basis of equality, friendship and peace. The active role which the Lao PDR has played in the region, and elsewhere as well as in multilateral activities is acknowledged and appreciated by the international community.

"At this time, I ask you all on the occasion of Lao national day and new year to raise your glasses and toast His Excellency President Nouhak Phoumsavan, wishing him and the Lao people the best health, happiness and prosperity. To His Excellency Mr. Nouhak Phoumsavan."

President Nouhak Phoumsavan then made an address reciprocating the wishes extended to him by the acting dean of the members of the diplomatic corps and international organisations in Vientiane. Following is the full text of the speech:

"I am very pleased with the wishes you have extended to me on the occasion of the 18th anniversary of the Lao People's Democratic Republic and of the coming new year 1994. The kind words expressed by the acting dean of the diplomatic corps have shown friendship and support of countries and organisations represented by you toward our Lao government and people.

"1993 which will leave us very soon is a year the Lao people have scored new successes in many areas in the task of their national development. The achievements have helped raised the material and cultural life of the Lao people. They have also strengthened the country's political and social stability. We acknowledge that these achievements have been realised thanks to the development of the latent domestic potential and the economic relations enjoyed with foreign countries.

"On this significant occasion, on behalf of the Lao government and people, I should like to express gratitude and thanks through you to your governments, people and organisations for their sympathy, support and valuable assistance as well as effective cooperation provided to the government and people of Laos.

"In the coming new year 1994, we will continue to develop the spirit of being the master of the country and the people's democratic rights as stipulated in the constitution, actively implement the socio-economic development plan along the market economy mechanism and create more favourable conditions for the economic relations and cooperation with foreign countries on the basis of the foreign policy of peace, independence, friendship and cooperation.

"I hope that friendly countries and international organisations will continue to give their assistance and cooperation to Lao PDR. I avail myself of this opportunity to convey best regards and friendship and best wishes of peace, happiness through you to the leaders of your countries and organisations. May I propose a toast for peace, friendship, cooperation and prosperity of the nations, and for good health, success and happiness of you all present here."

Talks Held With Visiting PRC Army Delegation

BK3011093893 Vientiane KPL in English 0707 GMT 30 Nov 93

[Text] Vientiane, Nov 30 (KPL)—A delegation of the General Political Department of the Lao People's Army led by its director, Lieutenant General [Lt. Gen.] Siphon Phalikhan, on November 28, met with a visiting delegation of the General Political Department of the Chinese People's Liberation Army led by its director, General Yu Yongbo, who is also member of the Central Military Commission.

The delegations of the two armies informed one another about the internal situation in their respective country and exchanged experience on different activities within the army, particulary the party political and ideological work in the army rank and file.

Provincial Police Delegation Visits Yunnan

BK2811090893 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Nov 93

[Text] In response to an invitation from the Border Police Headquarters of the PRC's Yunnan Province, a delegation of police from the three northern provinces of Oudomsai, Phong Saly, and Luang Namtha, led by Thongbai Sai-gnati, head of the Public Security Command of Oudomsai Province, left for a one-week friendship visit to Yunnan Province in mid-November. The visit was a glorious success.

During the visit, the delegation held talks with a delegation of the Yunnan Province Border Police Headquarters led by (Xiao Yushen), head of the provincial border police headquarters. They two sides discussed and reached unanimity on the maintenance of boundary posts on the friendship borderline. They also jointly improved regulations on traveling through border checkpoints of the two countries to be in conformity with international principles. In addition, the two delegations studied measures to strengthen relations and cooperation in border affairs. They then exchanged experiences as well as good or weak points in carrying out the public security maintenance work in order to strengthen the work in all respects. They particularly discussed ways to turn the border into a border of peace and friendship in order to create ever more favorable conditions for the people of Laos and China to exchange visits and to trade.

PASASON Urges People To Fulfill 1993-94 Plan

BK3011114593 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 29 Nov 93

[PASASON editorial: "Enhance a Sense of Self-Reliance and Self-Building for Fulfilling the 1993-1994 Socioeconomic Development Plan"—date not given]

[Text] During the past 1992-1993 fiscal year, the socioeconomic development plan of our country has encountered numerous obstacles due to unfavorable climatic conditions, such as drought, floods, and crop and animal pests; poor macro and micro management systems which have resulted in the pilferage of revenue and resorting to utilizing budgets for making investments; and a lack of qualified manpower thanks to our minimal efforts to develop qualified human resources to meet the requirements of (?our country).

Nonetheless, thanks to the correct and appropriate policy pursued by our party and efforts made by all ministries, organizations, and local administrations at all levels to improve, simplify, and make more efficient their respective regulations and rules, we are now able to overcome all obstacles and difficulties, thus guiding our socioeconomic development plan to continually attain progress, lessen damage to agricultural production caused by natural disasters, and minimize rice shortages which have been normal occurrences in recent years. As a result, our overall domestic production has increased by 10 percent. Of this rate, agricultural and forestry production has increased by 4.5 percent, industrial production by 9.2 percent, and the services sector by 6.9 percent. These successes are but the initial achievements made in the process of socioeconomic development in our country at present. Such successes are the fruits of our policy of broadening relations with foreign countries as well as of the support, assistance, and cooperation given to us by many friendly countries—near and far—throughout the world and by international organizations and institutions. But we cannot afford to be pleased with them and will not stop here. We still have many remaining tasks to tackle in order to bring about prosperity and wealth to our country and to allow it to catch up with other developing countries in this region and the world.

To advance toward this goal, we must strive to fulfill each and every socioeconomic development plan from now to the year 2000. Therefore, the direction of the socioeconomic development plan for the 1993-1994 fiscal period is for our people to enhance a sense of self-reliance and self-building; to concentrate all efforts on exploiting the potential of our natural resources; to promote investment in agricultural, forestry, and hydroelectric power production fields with a view to increasing goods production; to vigorously promote domestic production in order to produce essential goods in order to reduce imports; to basically resolve the problems of food shortages and to produce a surplus of food supplies; to continue broadening economic relations and cooperation with and to encourage investment from foreign countries, aimed at gradually raising the material and spiritual life of the people and persisting to increase our gross domestic production by 7 percent—including between 5 and 6 percent in the agricultural and forestry field. Some 1.65 million metric tons of rice must be produced while industrial and handicraft production should increase between 10 and 12 percent, and the service sector between 10 and 12 percent with the annual rate of inflation remaining between 6 and 8 percent.

It is the duty of all Lao citizens to fulfill the above-mentioned tasks. But the most urgent task which must be immediately fulfilled is to promote the growing of food grains to ensure self-sufficiency in rice production for domestic consumption. We can do this by emphasizing growing rice in the central and southern plains regions; expanding livestock breeding among families and investors; encouraging the planting of trees, especially fast-growing ones; and setting up a complete cycle of timber processing by planting trees, processing timber into finished products, promoting rural development work, and classifying forest areas to preserve water sources for hydro electricity production, irrigation operations, and drinking water for the people.

In the industrial and handicraft fields, efforts must be made to promote the industry in processing timber and forest products with the aim of producing essential goods, promoting hydroelectric projects and the mining industry, and carrying out surveys to collect data for new industrial development in certain key regions.

To fulfill the above-mentioned key tasks, we must simultaneously resolve all remaining problems, for instance building infrastructure and communcations services, and promoting education work, human resources training, and health work to ensure physical fitness for all people and labor forces. At the same time, we must not neglect efforts in preserving ethnic culture which is a decisive factor serving to promote unity among the multiethnioc people in the safeguarding, building, and developing of the country.

The socioeconomic development tasks of our country for the 1993-94 fiscal period remain extremely enormous and difficult. Nonetheless, with the correct and just policy of our party and state and with the emerging new favorable conditions created by the open-door policy, and with the perseverance and persistence of our party, cadres, and multiethnic Lao people, it is certain that we will be able to brilliantly fulfill the above-mentioned tasks, thereby making our country even stronger in the future.

Drought Cuts Saravane Rice Output by 50%

BK2711111293 Vientiane KPL in English 0752 GMT 27 Nov 93

[Text] Vientiane, November 27 (KPL)—The rainy-season rice crop on 8,300 ha [hectares] in Khong Sedon District, the southern Province of Saravane, has been damaged by 50 percent as a result of drought and pests.

Due to the poor harvest, 18,000 out of the total 42,500 residents are estimated to face rice shortage, said the head of the agriculture office of Khong Sedon.

In other development, the rice harvest in Viangsai District, the northeastern Province of Houa Phan, is now completed by 85 percent of the total 2,800 ha of rice-growing areas, in which 1,550 ha are low-land rice fields.

According to the head of the district agriculture office, the total harvest in the district is estimated at 6,620 tons of paddy. On average, a person will have a share of 200 kg of paddy a year. This may result in a rice shortage in the locality for four months.

Philippines

Ramos Names Panel to 2d Round of MNLF Talks

BK0112065793 Manila THE MANILA CHRONICLE in English 29 Nov 93 pp 1, 8

[By Manny Mogato]

[Text] Malacanang [presidential office] has already created several working committees to speed up implementation of agreements reached between the government and separatist Moro National Liberation Front (MNLF) panels during their first round of formal talks in Jakarta last month.

In a meeting over the weekend with his top peace and security advisers at the Palace, the president has constituted two working committees and named five cabinet undersecretaries to head the various support committees which would discuss with MNLF counterparts "finer details" of some provisions in the 1976 Tripoli Agreement which both parties had already agreed upon last month.

One of the first working committees created was the cabinet task force to oversee the technical assistance teams. Foreign Affairs Secretary Roberto Romulo was named task force chairman with the members of the cabinet cluster "E" committee as members. Their task was to assist and advise the technical panels of the government negotiating group on how to go about implementation of agreements mutually agreed by both parties.

The other working committee created was the government's seven-man "mixed committee" with former ambassador Manuel Yan as chairman. The committee will directly coordinate and work with counterparts from the MNLF to implement provisions in the 1976 Tripoli Agreement which were not discussed in the Jakarta talks. The "mixed committee" serves as the umbrella group of several support committees that were tasked to finalize for implementation provisions in the Tripoli Agreement which were mutually acceptable to both sides.

Defense Undersecretary Feliciano Gacis was named head of the government's support committee on national defense and regional security force. Four other undersecretaries from various agencies were named: an undersecretary from the education, culture and sports department to discuss with the MNLF formation of Islamic schools; the deputy director-general of the National Economic and Development Authority (NEDA) for discussions on Muslim Mindanao's economic and financial system, especially on mines and mineral resources exploitation; the undersecretary of the interior and local government department for talks on Muslim Mindanao's administrative system; and the justice undersecretary for the establishment of Muslim judiciary and Shariah laws.

The president gave the working and support groups at least three months to complete their work. But he will meet them again next week to assess the implementation of the cease fire agreement with the MNLF.

In next week's meeting, the government's position will be firmed up in preparation for the first in-country meeting between government and MNLF committees on the implementation of the Tripoli Agreement on 6 December in Zamboanga City.

To ensure success of the entire peace exercises, the president said he is planning to create, through another directive, a joint Executive-Legislative Advisory Committee.

The advisory committee will allow senators and congressmen from Mindanao to take part in the peace process with the MNLF. Their involvement in the process would in a way remove or lessen criticisms from the legislature against the peace efforts toward the separatist rebel leaders.

Honasan Comments on Upcoming Peace Talks

BK0112063193 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 1 Dec 93

[Text] The peace talks between the government and the military rebels will resume tomorrow. In this regard, rebel leader Gregorio Gringo Honasan revealed that although the peace process was slow, it will have a positive result.

[Begin recording in English] [Honasan] It's moving in the right direction, and we are trying our best together with the government panel to accelerate the process so that we can offer our people already once and for all real peace, meaningful changes.

[Unidentified correspondent] [question indistinct]

[Honasan] Well, I guess it's already December. I think there are indicators that we are moving towards that direction. [end recording]

Government Seeks Extradition Treaty With U.S.

BK3011030593 Manila BUSINESS WORLD in English 26 Nov 93 p 16

[By Marvin A. Tort]

[Text] The Philippine Government will soon initiate negotiation for an extradition treaty with the United States. This was learned yesterday from Justice Secretary Franklin Drilon as he told newsmen that he will discuss the matter with U.S. Ambassador John Negroponte when they meet on 1 December. The U.S. Ambassador is scheduled to make a courtesy call on the justice secretary on that date.

Mr. Drilon said his department is presently preparing a draft of the proposed treaty, which the Philippine Government will submit to the United States. He also said he will discuss the proposal with Mr. Negroponte during their scheduled meeting.

Aside from the extradition treaty, another treaty on mutual legal assistance (MLAT) is also expected to be discussed. The MLAT is significant, particularly in dealing with cases involving intellectual piracy.

"I have directed Chief State Counsel Elmer Bautista to prepare the groundwork for discussion with U.S. Ambassador John Negroponte for an extradition and mutual legal assistance treaty with the United States," Mr. Drilon said.

"Mr. Bautista has started gathering materials on other extradition treaties entered by the United States with other countries as our point of reference (in preparing the draft of the proposal). It will be easier to sit with our counterparts if we initially agree on the type of treaty to be discussed," he added.

It could be noted there are presently two types of extradition treaties commonly entered into by governments.

The "list type," where the treaty document lists down all extraditable offenses; and the "dual criminality type," which considers extraditable all offenses punishable by the laws existing in both contracting states. Mr. Drilon said the dual-criminality type is the "modern mode" since both states are not confined to the crimes are substantially the same by definition in the laws of both states.

"With respect to our Revised Penal Code, there would be little difficulty because it is almost a verbatim copy of the U.S. code," the justice secretary noted.

Justice Department sources also said the Philippines has so far ratified extradition treaties with Canada, Australia, Indonesia and Thailand. The treaty with Indonesia and Thailand are "list type" treaties.

Also, there are three more extradition treaty pacts pending ratification before the Philippine Senate. These are treaties with Switzerland, the Republic of Korea and Micronesia. The three pending treaties are of the "dual-criminality" type.

So far, it has been to the advantage of the Philippine government to have extradition treaties with other states. Sometime ago, Canadian Martin Bakker was sent back to Canada to face 44 counts of sexual assault charges against minors. Another Canadian national, Gerald Wilson, was extradited to Canada after he opted to be deported. The extradition of Australian national Paul Joseph Wright, which was requested by his own country, is pending before the Court of Appeals, while the Philippine government's request for the extradition of Rodolfo Pacificador from Canada to the Philippines is pending with Canadian Supreme Court.

Sources also said the Mutual Legal Assistance Treaty (MLAT) is likewise important, for it will promote the free exchange of information between contracting states. It will facilitate the gathering and delivery of evidence and documents between states, making local evidence available to requesting foreign states. The MLAT is viewed as an effective tool in combating and prosecuting crimes involving intellectual piracy in an international scale.

Death Penalty Covering 13 Crimes Restored

BK3011012093 Manila THE MANILA CHRONICLE in English 26 Nov 93 pp 1, 8

[By Elizabeth Perez]

[Text] The death penalty, which was abolished by the 1987 Constitution, has been restored by a bicameral panel of Congress and will cover 13 crimes classified as heinous. The bill returning the death penalty was approved by the bicameral conference committee Wednesday night. All that needs to be done now is for Congress to ratify it on Wednesday and for the president to sign it into law before Christmas, and these steps are considered as mere formalities.

The crimes covered by the measure are murder, treason, rape with grave attending circumstances, destructive arson, drug trafficking and crimes related to it, piracy, parricide, infanticide, robbery with homicide and/or rape, direct bribery, plunder, car theft and kidnapping.

Congressman Pablo Garcia of Cebu, chairman of the House Committee on justice and principal author of the House version of the death penalty bill, said plunder and direct bribery involving heinous crimes had been added to the original list. Plunder covers all forms of graft and corruption involving at least P5O million and includes in its scope private individuals found to have connived with public officials. Bribes given to influence the investigation or trial of a heinous crime fall under bribery.

Senator Arturo Tolentino, chairman of the Senate panel, said its version considered only six crimes as heinous: rape, murder, destructive arson, kidnapping, drug trafficking and graft and corruption. He said public clamor compelled the Senate panel to include more crimes in the list.

The bill's passage came after months of emotional debate and at a time when there is an alarming rise in crime and violence, the latest being the kidnapping of American Charles Walton in Mindanao and the ambush attempt on special prosecutor Aniano Disierto in Quezon City on Wednesday.

Garcia said the electric chair will be used in executing death to convicts, until the Bureau of Prisons can install gas chambers, as agreed upon by the bicameral panel.

Cases of criminals facing the death sentence will be forwarded immediately by the Supreme Court to the president, who can grant a pardon or amnesty to criminals, Garcia said.

The death sentence will also have to be carried out within a year instead of the usual three years "to lessen the mental anguish and agony" of the convicted criminal, Garcia said. Under the bill, Supreme Court decisions imposing the death penalty do not necessarily have to be unanimous to take effect. "A simple majority will do, both for the decision itself and any possible reconsideration," Garcia said.

Growing public clamor to bring back the death penalty was triggered by the upsurge of crime and violence in the country in recent years. Not everyone, however, favored the return of the death penalty. It has been widely criticized as inhumane and "anti-poor," with its opponents saying that it will be imposed only on poor criminals who will not be able to afford the services of lawyers. Its supporters believe it will serve as a deterrent to heinous crimes and will help bring down the crime rate.

The past few years witnessed particularly brutal murders which bolstered arguments in favor of the death penalty. Among the cases are the Vizconde massacre, the murder of Maureen Hultman, and the murder of two University of the Philippines-Los Banos students.

Roundup of Rebel Activities for 20-26 Nov

BK3011060693

[Editorial Report] The following is a roundup of reports of Philippine rebel activities from Philippine media monitored by Bangkok Bureau between 20-26 November. Source information is given in parentheses at the end of each item.

20-23 November

No fileworthy items monitored.

24 November

One New People's Army [NPA] rebel was killed while several were wounded during an encounter with government troops in Davao del Sur. The Special Forces Team of the Army was patrolling in a village when they intercepted a group of rebels belonging to the Andoy Platoon of the NPA Front 72. The rebels withdrew after a two-hour gunbattle. There were no reported casualties from the government side. (Quezon City PTV-4 Television Network 240500)

25-26 November

No fileworthy items monitored.

Thailand

Ministry Outlines National Role as NAM Member

BK3011191193 Bangkok SIAM POST in Thai 30 Nov 93 p 6

[Text] The Foreign Ministry has released the following account after Thailand was admitted as a new member of the Nonaligned Movement, or NAM, during the NAM ministerial meeting at the United Nations Headquarters in New York on 4 October.

1. NAM welcomes Thailand's membership.

NAM is a strong and large group of countries with 110 members. In the past, when Thailand attended any NAM meetings in New York as an observer or under the UN framework, it was approached by several NAM members, especially those in ASEAN, to join NAM as Thailand's membership would enhance the bargaining power and other potentials of the movement. In this respect, when Thailand was admitted as a NAM member, the country received cheers of welcome. Thailand's membership would strengthen the role of ASEAN within NAM because all ASEAN countries have now joined the movement.

2. Thailand gets recognition for its role.

It can be clearly seen that NAM has given importance to Thailand and recognized the constructive role it has been playing. About two months after joining NAM, Thailand's permanent delegate to the United Nations, Ambassador Nit Phibunsongkhram, was appointed by the Coordinating Bureau of NAM to be chairman of the NAM Working Group on Peacekeeping Operations. The duty of the working group is to study the NAM position on the UN peacekeeping policy and operations. The post given to Thailand is considered important as the United Nations has been spending both human and financial resources to uphold peace and stability around the world. The United Nations has 80,000 troops around the world for peacekeeping operations, involving a budget of some 2.3 billion dollars in 1993 (compared to the general 1993 United Nations budget of 1.5 billion dollars). This constituted heavy spending for the United Nations and created great concern among all UN members. Thai troops also served in several UN peacekeeping missions. The fact that a Thai has been appointed chairman of the NAM working group on peacekeeping operations shows that the international community recognizes Thailand's constructive and outstanding role in promoting world peace.

3. Thailand's status as a NAM member will benefit its conduct of foreign policy and national interests.

3.1 For the conduct of foreign policy and safeguarding national interests, it is best for countries to simultaneously pursue efforts independently as well as through groups, within the framework of the United Nations. Even a superpower like the United States cannot conduct its policy independently without seeking "allies" in the United Nations. As for NAM, it is an important group within the United Nations, with 110 out of the 184 UN members. Any UN decision would become effective only with support from NAM. By joining NAM, Thailand has another venue for the conduct of its foreign policy and NAM is one of the most important forums.

3.2 As the world adjusts to the post-Cold War era, there has been an emphasis on economic development and competition in natural resources. Almost all NAM members are developing countries like Thailand, and they have the same problem facing economic competition and protectionism by industrialized countries. Therefore, they are trying to have the United Nations emphasize development instead of security. If this is achieved, the outcome would suit Thailand's interests better as a developing country. With Thailand playing a role in NAM from the beginning, this will give Thailand a chance to put forth its own suggestions in keeping with what it considers beneficial for itself.

3.3 On the UN peacekeeping role, which is very significant at present:

3.3.1 Thailand also has an interest as a contributor of troops to the UN peacekeeping force. NAM has honored Thailand by giving it the post of chairman of the NAM working group on peacekeeping operations. This, in turn, would give Thailand an opportunity to air its suggestions and propose measures which would protect the interest of the nation, earn respect for Thai troops participating in UN peacekeeping missions, and guarantee more safety for them.

3.3.2 Through its status as chairman of the NAM working group on peacekeeping operations, Thailand would be able to serve as a "bridge" linking NAM with other groups, such as the European Community, and some major countries in cooperation toward achieving certain resolutions which are of concern for Thailand. This will enhance Thailand's role in UN peacekeeping.

3.3.3 Its status as chairman of the NAM working group on peacekeeping operations will contribute to Thailand's role as chairman of the ASEAN Standing Committee, which will host the ASEAN regional meeting in July 1994. The meeting is intended to exchange views among the countries in the region in order to promote peace, security, and cooperation.

Thailand has twice hosted technical conferences of ASEAN and non- ASEAN countries on safeguarding peace and security in Southeast Asia. It has obtained full cooperation from other ASEAN members for the efforts. The meetings were held in line with the Agenda for Peace expounded by the UN secretary general, who urged regional countries to promote greater cooperation in a bid to strengthen peace and security, an overall goal of the United Nations.

The role given Thailand as chairman of the NAM working group of peacekeeping operations is good timing, and in keeping with Thailand's own initiative, that of ASEAN, and that of the UN secretary general regarding the issue of peace and security.

Talks With PRC Minister Focus on Trade Deficit

BK3011142993 Bangkok Army Television Channel 5 in Thai 1200 GMT 30 Nov 93

[Text] The visiting internal trade minister of the People's Republic of China today held a meeting with Commerce Minister Uthai Phimchaichon to exchange views on bilateral trade and the trade deficit problem between the two countries. After the meeting, Uthai told reporters that Thailand has been suffering an annual trade deficit of over 20 billion baht with China, adding that the two countries have agreed to readjust their bilateral trade. China will increase the quota for Thai imports such as rice, tapioca, para rubber, and palm oil. The commerce minister said:

[Begin Uthai recording] It can be in the form of joint ventures or China can invest 100 percent in such a factory. Another product we discussed was palm oil. China is currently buying palm oil from Malaysia. If China buys some from Thailand, our trade dificit will be alleviated. [end recording]

Touching on textile imports to the United States, the commerce minister said Thailand and the United States will hold another round of talks on import quotas for Thai textile because textile is one of Thailand's major revenue earners.

Russia Offers To Launch Thaicom Satellites

BK3011014893 Bangkok BANGKOK POST in English 30 Nov 93 p 6

[Text] Russia has offered Thailand a satellite launching facility, Space Development Agency director Khanet Sarakkun said yesterday. Dr Khanet last Friday met Igor Leshukov, Russia's assistant permanent representative to the Economic and Social Commission for Asia and the Pacific (ESCAP), and Vladimir Seliverstov, the Russian Embassy's second secretary in Thailand.

The Russians told Dr Khanet the United States and Russia had agreed in August to ease US restrictions imposed during the Cold War which ban American-made satellites from being launched by Russian rockets. As a result, he said Russia's "Proton" launchers could be used as an alternative in launching Thailand's satellites in the future. He said it was accepted that Russian space technology was as advanced as that of the US.

The country now has only the European Arianespace (led by France) and China's Long March launchers to choose from, he said. The alternative could benefit Thailand's satellite programme after the two Thaicom satellites are launched next month and next August, he said. The Thaicoms will be launched by Arianespace. Satellites belonging to other companies could be allowed after the protection period for the Chinnawat Group's Thaicom ends in September 1999, he said.

Former Envoy to Cambodia on Border Issue

BK3011032793 Bangkok BANGKOK POST (INSIDE INDOCHINA supplement) in English 30 Nov 93 p 2

[Text] On the irrefutable argument that unclear borderlines are food for rancour between neighbouring countries, Thailand's first ambassador to post-war Cambodia is urging the two governments to reach a new agreement on their borders by land and sea. Ambassador Sunai Bunyasiriphan, who left Phnom Penh in mid-November at the end of a two-year term, says border demarcation should be a priority task for the border committee which both sides have agreed, in principle, to set up. The approach, the envoy stresses, should not be confrontational. New technology could be helpful to the accomplishment of what is a difficult task, he adds.

The fuzziness of the land border was at the root of a war of words in August between Thailand and the United Nations Transitional Authority in Cambodia (UNTAC). This presented perhaps Sunai's biggest challenge during his term in Phnom Penh.

Senior foreign ministry officials in Bangkok at the time affirmed to INSIDE INDOCHINA that the row over the Khmer Rouge attack on UNTAC's CT-1 base could have been avoided if the land border was well defined.

UNTAC had alleged Thai officials helped the guerrillas, who have bases close to Thailand.

Ambassador Sunai noted that a new agreement on borders would require review of old documents notably the late 19th-century treaty between France and what was Siam, the original of which is in France. So far, according to statements by senior Thai officials, Thailand and post-war Cambodia have touched on questions surrounding the sea border in the Gulf of Thailand.

The subject was covered during the visit to Bangkok in mid-August by Prince Norodom Ranariddh and Hun Sen, who were then co-presidents of the provisional government installed soon after the May elections organised by UNTAC. The two sides were then reported to have looked at the idea widely accepted by other countries sharing waters, of jointly developing the resources between them.

There was no official word on the question of the land border, stretching 800 kilometres from where Thailand, Cambodia, and Laos meet to the Gulf of Thailand, finishing at Thailand's southeastern most province of Trat and Cambodia's southwestern province of Koh Kong. But sources close to the leadership in Phnom Penh stressed in August that "frontier problems" were important to the future of bilateral relations and expected some informal discussion during the two Cambodian leaders' visit.

Senior Thai foreign ministry officials at the time affirmed that Thailand desired "transparency" in all matters with friends. They maintained there was no question of complicity on the part of Thailand in the August 1 attack on CT-1.

Allegations against Thailand were made "without proper investigation", Ambassador Sunai says. Thailand's first ambassador to Phnom Penh after the Cambodian peace agreements were signed in Paris in October 1991, Sunai had an earful of allegations that Thailand continued to support the defiant guerrillas. The Khmer Rouge refused to disarm or allow UNTAC access into their "liberated" zones. Thailand and Japan, through trilateral talks between August 1992 and October 1992, tried to bring them back into line, but in vain.

Ambassador Sunai said mutual trust between Thailand and Cambodia remains elusive because Thai authorities are still seen to be supporting the Khmer Rouge, despite repeated statements to the contrary.

Thai foreign ministry officials have yet to convince many of their argument that it would be foolish for Thailand, a co-signator of the Paris agreements, to continue helping rebellious guerrillas.

A no less important back-up point: China's termination of support for the Maoist group.

"Other countries" think Thailand has leverage over the Khmer Rouge, when "everything" they do is "up to them", Ambassador Sunai said. As Ambassador Sunai sees it the Cambodian Government could help improve the situation by declaring a clear policy on the Khmer Rouge, which Thailand would be bound to respect.

In the eyes of many observers, statements from Phnom Penh have been equivocal, some suggesting that the guerrillas could be excluded as "outlaws", others that they may be given a role in government if they laid down their arms and recognised what elected politicians have made of Cambodia's new political order.

Ambassador Sunai has been posted as Ambassador to Mexico, where the accent will be on economics. He carries with him broad experience in Indochina having served in Laos from 1973-1977, Vietnam from 1987-1989, and Cambodia from late 1991-1993.

Government Sells 15,000 Tons of Rice to Malaysia

BK3011015493 Bangkok BANGKOK POST in English 30 Nov 93 p 19

[Text] The Public Warehouse Organisation [PWO] has sold 15,000 tons of rice—10,000 tons of 100 percent B-grade fragrant and 5,000 tons of glutinous—to Malaysia on a government-to-government basis in a deal described as helping to maintain the rice market.

PWO director Chaiwat Traisunan said the organisation had sold the rice to Malaysia at a "friendship" price because Malaysia was in a hurry to acquire it.

A Rice Exporters' Association [REA] source said Thai exporters had bid on the order earlier, but they failed to deliver the rice. Consequently, Malaysia's ric-importing agency, Lembaga Padi Dan Beras Nikira, contacted the Thai Foreign Trade Department directly. The department could not obtain the rice so it transferred the order to the PWO. The 100 percent B-grade fragrant rice was sold for $430 per ton.

The REA source said the PWO had opened bids from Thai exporters to fulfill the orders for the B-grade rice and the three winning firms were Phonglap Co, Siam Rice Trading Co and Kitphon Rice Co. The bids for the glutinous rice order have not yet been opened.

Council Approves Anti-Dumping Legislation

BK3011022993 Bangkok THE NATION in English 30 Nov 93 p B1

[Text] The Council of Economic Ministers yesterday endorsed the Commerce Ministry's draft of anti-dumping legislation, but suggested the Finance Ministry be given a bigger role in handling dumping and unfair subsidy matters. The proposed law will affect foreign companies which dump products on the Thai market, and foreign governments who unfairly subsidize their exporters. Deputy premier Suphachai Phanitchaphak said the law is necessary, now that Thailand is liberalizing its economy.

The domestic market has to be protected from dumping and unfair subsidies, as has previously been the case with petrochemical products, sheet glass and cement, he said. In addition, the law will increase Thailand's bargaining power when faced with retaliation from trading partners, according to Suphachai.

Commerce Minister Uthai Phimchaichon said Thailand will likely face more unfair trading practices in the future, for example Chinese manufacturers benefitting from government subsidies.

In addition, the Council of Economic ministers yesterday asked the Finance Ministry to propose suitable criteria on the amount of collateral and duties to be collected from those violating the law. Collateral will be secured if complaints are validated during the preliminary investigation. Duties collected when final rulings are made by the Anti-Dumping and Unfair Subsidy Committee. The duties will be administrated by another committee yet to be set up.

According to the Commerce Ministry's proposal, the anti-dumping and unfair subsidy committee will be chaired by the commerce minister while a deputy commerce minister will be its vice chairman.

Since the Economic Ministers ruled that the Finance Ministry's role in this body should be increased, a Deputy Finance Minister will also be pamed as Vice Chairman. The Finance Permanent Secretary will be given a seat on the committee.

According to the Commerce Ministr,'s proposal, only Permanent Secretaries of the Commerce, For eign Affairs, and Industry Ministrie were given committee seats, excluding the Finance Permanent Secretary.

Other committee members, as proposed by the Commerce Ministry are the Board of Investment Secretary-General, the Attorney-General, the Governor of the Bank of Thailand, the Customs Department chief the head of the Fiscal Policy Office as well as the head of the Business Economics Department.

The Foreign Trade Department chief will be a member, as will the Secretary-General of the Anti-Dumping and Unfair Subsidy Committee. The Deputy Chief of Foreign Trade will also serve along with his Deputy Secretary-General.

The Council of Economic Ministers wanted the Commerce Ministry to re-assure them that the proposed law is consistent with the General Agreement on Tariffs and Trade (Gatt), the current round of which is not yet concluded. Suphachai said the US is negotiating with Europe to protect its textile market, but noted that the big issue, still barring Gatt conclusion, is farm subsidies.

Council Approves New Foreign Debt Limits

BK3011020393 Bangkok BANGKOK POST in English 30 Nov 93 p 19

[Text] The Council of Economic Ministers yesterday approved a $3.2-billion ceiling for new foreign debt created by the Government and state enterprises in fiscal 1994.

The figure represents a large jump from the $2.5-billion limit for fiscal 1993, but it brings Thai Airways International's aircraft purchases back under the ceiling.

The council, which has full Cabinet powers in economic affairs, also approved 23 projects requiring foreign borrowing equivalent to $2.63 billion, with another 17 totalling $2.42 billion placed as reserve.

The National Debt Policy Committee has been authorised to monitor and adjust these, keeping overall borrowing within the $3.2-billion ceiling.

THAI's exemption from annual new foreign debt ceilings came under a National Peace-keeping Council Decree on February 28,1991, only five days after the coup. The airline has argued that it should be exempt because its purchases are large and be cause the aircraft raise the foreign exchange used to pay back the debt.

The Chuan Government last December agreed in principle that THAI should be brought back under the ceiling.

The latest ceiling is based on a Finance Ministry assessment that the Thai economy is financially strong with a good ability to repay debt.

The Treasury Reserve was calculated to have been 235.29 million baht at the end of fiscal 1993 (September 30) with $25.23 million in foreign-exchange reserves—enough to pay fo almost seven months of imports.

The current-account deficit—the balance of trade in goods and services—was estimated at 6.4 percent of Gross Domestic. Product in 1992, an improvement over the previous year's deficit which amounted to 8.1 percent of GDP, indicating a stronger ability to earn and retain foreign exchange to repay borrowing.

In the first eight months this year, the deficit totalled 126.7 billion baht.

According to the ministry's projections, the total public-sector burden for repaying loans and paying interest will peak in 1995 at only 4.6 percent of earnings from exports. For this year, the debt service burden is forecast at only 4 percent of export earnings. These levels are considered highly safe when compared with the targeted maximum of 9 percent.

The $3.2-billion new borrowing for fiscal 1994 is broken down into $588.16 million for projects carried over from fiscal 1993, $1.22 billion for new projects already approved, $323.81 million for projects expected to be approved next month and $494.53 million for projects that do not need prior approval.

A further $573.06 million is set aside for projects that might be added to the approved list later in the year.

The foreign borrowing ceilings were introduced in the mid-1980s when the repayment and interest burdens reached dangerous levels amounting to double-digit percentages of export earnings.

Initially, the limit was $1 billion per year, but this has gradually expanded as the economy has expanded and the debt problem receded.

Labor Standards, U.S. GSP Threat Examined

BK2911011993 Bangkok BANGKOK POST in English 29 Nov 93 p 21

[Text] The Thai Government, having avoided US trade sanctions earlier this year by improving copyright protection, is now trying to persuade Washington that its labour standards are adequate. Accusations by American labour unions that Thailand fails to protect its workers' rights threaten to end Thailand's status under the US duty-free concessions programme known as the Generalised System of Preferences (GSP). Three issues—child-labour laws worker safety and the State Enterprises Labour Relations Act—are in dispute.

Thai officials say that while progress is being made on child labour and worker safety, further amendments may be needed to the Act to bring it into line with International Labour Organisation standards The Government has already said it will amend the Act.

On December 15, the Office of the US Trade Representative is due to announce the result of an investigation into the complaints lodged against Thailand by the American Federation of Labor/Congress of Industrial Organisations [AFL-CIO], the largest umbrella labour organisation in the United States. The AFL-CIO wants Washington to drop Thailand from the import duty exemption programme.

A government source said Thai land is hopeful that Washington will postpone its announcement until it sees what progress Thailand makes in pushing the SELRA [State Enterprises Labour Relations Act] amendments through Parliament.

On child labour, Thailand has extended the minimum education period from six years to nine in order to discourage children from entering the work force. It has raised the minimum age of child labourers from 12 years to 13 and plans to raise it again to 15. The fire last March at the Kader doll factory, which killed more than 180 workers, had brought worker safety into sharp focus. The US has demanded that Thailand punish those who caused the fire and toughen laws to protect workers on the job. Thailand says that those responsible for the fire have been punished and that safety measures have been devised to prevent a repetition of such fires.

Concerning the State Enterprises Labour Relations Act, draft amendments are ready to be submitted to the Cabinet in preparation for introduction in Parliament.

The law complies with most International Labour Organisation standards, but it still allows only one union to be established at each state enterprise; the US prefers a more wide-open system.

Thailand said the amendment was drafted after consultation with Thai labour unions but the US wants further proof that such consultations took place.

Washington remains concerned about draft amendments that prohibit state enterprise unions from striking. Thailand counters that the law allows unions to call meetings without notifying employers in advance, which is tantamount to a strike.

The remaining US concern centres on a clause that seems to bar consultants of state enterprise unions from being consultants for private-sector unions. The consultants are required to register with the Labour and Social Welfare Ministry and seven have already done so.

The source said it would be unfair for US to withdraw the GSP status from Thailand because Thailand has been working to improve workers' protection.

Coalition Wrangling Over Interior Post Viewed

BK2811023093 Bangkok THE NATION in English 28 Nov 93 p A10

[Commentary by Sophon Onkan: "Coalition infighting targets Chawalit but..."]

[Text] Coalition MPs were back at each other's throats again after that they had trounced the opposition parties in the no-confidence debate against two ministers. Instinctively combative and quarrelsome, MPs found it professionally imperative to spend much of time honing their skills for the next partisan battle.

They displayed unity, keeping their differences aside for a while, by outvoting the opposition parties which had seized every opportunity to portray the Chuan administration as being ignorant of issues, showing an appearance of impropriety, and even wrongdoing. Until now, coalition MPs have managed to keep their adversarial lawmakers at bay, at times, with growing frustration.

An essential aspect of being an MP is that they must keep themselves in the news, whenever it is possible. If they enjoy positive publicity, it will be a big plus. If they don't, well, they would think that at least their names would not be forgotten.

This will make it difficult again for Prime Minister Chuan Likphai to concentrate on running the government following his glowing success at the Apec [Asia-Pacific Economic Cooperation] meeting in Seattle. There have been too many unhappy political events which will just not go away. On the contrary, they will serve as main distractions for the government which needs to show significant management results.

One of the events could even be favourable to Chuan if he deems it necessary to make some limited Cabinet changes. A pattern has been laid and set for such a move. The first target is the beleaguered Interior Minister Gen Chawalit Yongchaiyut whose stature has been damaged by poor performance and cronyism.

While Gen Chawalit was seeking medical treatment a few days ago at a private hospital for food poisoning, an MP from the Solidarity Party suggested all of a sudden that the politically battle-scarred leader of the New Aspiration Party [NAP] should relinquish his post and keep only the labour portfolio.

Khanin Bunsuwan, a Chon Buri MP, has not been known as a politician with unkind statements for revered figures. His brief remark had double effect because there followed a broad range of reaction, hardly pleasant to him. There were critical responses from many politicians though, in fact, they might have wholeheartedly agreed with Khanin. But being politicians, they had to stick to the partisan line of interest.

If the utterance was designed to cause friction among coalition parties, then it paid off handsomely. Deputy Finance Minister Dr Trairong Suwankhiri, a Democrat well known for his brashness, particularly when it involved unpleasant remarks directed at military figures, offered his own evaluation.

In the deputy minister's view, the NAP leader was somewhat politically naive, or a green horn of sorts. That assessment must have been based on the ex-army chief's erratic performance during the take-no-prisoner debate by abrasive opposition MPs.

Gen Chawalit was still bed-ridden on that day. Physically, he remains relatively healthy. He obviously needs a good rest, including saline solution through intravenous feeding, after absorbing the relentless verbal salvos from his adversaries who had been angered by the flip-flop stance of the NAP leader. Politically, he remains comatose though many well-wishers turned up to cheer him up.

As claimed by opposition MPs, the NAP leader was about to switch camps following months of displeasure with the Democrat Party. For some reasons best known to him, Chawalit later changed his mind. Not only that, the retired general sang like a lark to Prime Minister Chuan who, as a pure Democrat, might only liked half of the tunes he heard.

The Democrats do not want to be outclassed, or taken by surprise, as far as double crossing is concerned. They are formidable practitioners of this ruthless art. One should not forget that most of the leaders and senior members of the coalition and opposition parties are Democrat alumni. Though they are second to none in cut- throat politics, they still could not outdo the well-groomed Democrats in long-drawn squabbles.

Politics is not for people with weak hearts. Chawalit is learning this lesson rapidly, if he was as inexperienced as rated by Dr Trairong. Democrat Secretary General Maj Gen Sanan Khachonprasat was said to have a yearning for the interior portfolio after over a year as industry minister. Sanan is willing to wait a few weeks because he still has certain unfinished business at the Petroleum Authority of Thailand.

His comments following Chawalit's response to the opposition parties during the no-confidence debate were explicit enough that he would not mind switching to the interior post. This would be a highly rewarding job after he had failed to grab the defence portfolio, when the coalition was formed, after there was a clear message from some elements in the armed forces that he was not welcome.

Phalang Tham members, observing the sparring with growing interest, pointed out that the interior job had originally been slated for their party when they discussed the formation of the coalition. It seemed that a time for the coalition members to live and work in peace would not come easily. This will be the same for Sanan who wants to expand his sphere of influence. His ambition has been known to other Democrats that the sky is a limit for the ex-army officer. He has a sizeable following within the Party as well.

Deputy Prime Minister Banyat Banthatthan, an influential Democrat who has the ear of the premier, has been viewing the interior post with enthusiasm, but he keeps his cool while looking for possible pitfalls. Not only has he the full confidence of Chuan, but also Banyat had been a deputy interior minister several years ago. People still remember that his aide was embroiled in a scandal involving an illegal leaf produce.

A battle between Sanan and Banyat for the Interior Ministry will be a clash of Democrat titans, if it happens. Only apolitically naive person will fall for this ploy designed to confuse the Democrat's enemies. This is simply because the party leader cannot allow that to become a public spectacle, especially when there are still so much partisan interests to be taken care of.

They all know that the risks are high if there is a snap election. The best way is to keep the opposition parties in financial deprivation, and feed them with false hopes that some of them stand a good chance of being coalition members. Not only that there will be mutual distrust among the opposition parties, it is also to ensure that their position continues to weaken until the next poll.

The Democrats will prove themselves soon enough that they are smarter than most in protracted manoeuvring.

Vietnam

Australia's Evans Leaves for Southern Provinces

BK3011151593 Hanoi VNA in English 1443 GMT 30 Nov 93

[Text] Hanoi VNA Nov 30—Australian Foreign Minister, Mr Gareth Evans, left Hanoi this morning for some southern provinces, continuing his official visit to Vietnam from Nov. 29.

He was seen off at the government's guest house by Foreign Minister Nguyen Manh Cam, and many other senior officials.

Australian Ambassador Mr Michael John Potts was also present at the welfare ceremony.

Chinese Communist Party Delegation on Visit

BK2911152993 Hanoi VNA in English 1523 GMT 29 Nov 93

[Text] Hanoi VNA Nov 29—A delegation of the Communist Party of China (CPC) led by Ding Guangen, Politburo member and secretary of the CPC Central Committee, arrived in Hanoi today for an official friendship visit to Vietnam.

The Chinese party delegation was warmly received by Nguyen Duc Binh, Politburo member and secretary of the Communist Party of Vietnam Central Committee.

Talks were held here this afternoon between a delegation of the Communist Party of Vietnam led by Nguyen Duc Binh and the Chinese delegation. The two sides informed each other of the situations of their parties and states and achievements recorded in the two countries. They discussed issues to be solved, and exchanged experience gained from the process of renovation and reform in Vietnam and China with a view to speed up socialist construction in both countries.

In the evening, Mr Nguyen Duc Binh gave a banquet in honour of the Chinese party delepation.

Chinese Ambassador to Vietnam Zhang Qing was present on those occasions.

National Assembly Delegation Returns From Laos

BK0112061793 Hanoi VNA in English 0542 GMT 1 Dec 93

[Text] Hanoi VNA Dec. 1—A delegation of the Vietnam National Assembly's Council of Nationalities led by Chairman Yngong Nie-kdam paid a friendly visit to laos from Nov. 21-28.

The delegation held talks with a delegation of the Council of Nationalities of the Lao Supreme People's Assembly (LSPA) led by its Chairman Vongphet Saikeuyachongtoua. The two sides informed each other of the two councils' activities and exchanged experience in propaganda and agitation.

The Vietnamese delegation was received by LSPA President Saman Vi-gnaket who welcomed the visit as a contribution to further promoting the friendship and special solidarity between the two parties, governments, and peoples.

It also called at some cultural and economic establishments in Vientiane capital and the Provinces of Vientiane and Luang Prabang.

Party Sends National Day Greetings to Laos

BK0112140993 Hanoi VNA in English 1356 GMT 1 Dec 93

[Text] Hanoi VNA Dec. 1—'The Vietnamese people are very glad at and proud of the achievements recorded by the fraternal Lao people and note with satisfaction that the special solidarity and friendship and all-sided cooperation between the two countries have been constantly consolidated and developed'. So said Vietnamese party and state leaders in their message of greetings to Lao party and state leaders on the occasion of the 18th National Day of Laos (Dec. 2).

The message signed by Do Muoi, general secretary of the Communist Party of Vietnam Central Committee Le Duc Anh, president of the state Vo Van Kiet, prime minister and Nong Duc Manh, chairman of the National Assembly, was addressed, to Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and Prime Minister Nouhak Phoumsavan, president of Laos and Saman Vi-gnaket, chairman of the National Assembly, and said among other things that the Vietnamese party, state and people have been determined to foster and develop the special solidarity and friendship and traditional all-sided cooperation between the two countries in the spirit of renovation with higher quality and efficiency aimed at contributing to the cause of national construction and defence in each country in the current new situation.

The message went on:

'On this occasion, we would like to express our deep gratitute to the Lao party, state and people for their precious assistance to the Vietnamese revolution in the recent time. May the Lao people under the leadership of the LPRP obtain greater successes in national construction and defence so as to successfully carry out the strategy on socio-economic development up to the year 2000 and to build Laos into a peaceful, independent, democratic, unified and prosperous country'.

German State Minister for Economy Visits

BK3011060193 Hanoi VNA in English 0529 GMT 1 Dec 93

[Text] Hanoi VNA Dec 1—Minister of State for Economy of Germany Heinrich Kopf has paid a working visit to Vietnam.

The German minister of state met with President of the Vietnam Chamber of Commerce and Industry Doan Duy Thanh. They discussed how to promote the economic and commercial relations between the two countries.

Minister of State Heinrich Kopf and his party attended a forum on Germany-Vietnam economies, held in Ho Chi Minh City for the first time.

Friendship, Cooperation With Russia Reviewed

BK3011134193 Hanoi Voice of Vietnam in English 1000 GMT 30 Nov 93

[Station commentary]

[Text] Relations between Vietnam and Russia have come out of the stagnant period, according to the Russian Ambassador to Vietnam Mr. Rachid Khamidoulin. Recently, there have been many positive changes in relations between Vietnam and Russia, the largest republic in the former Soviet Union. Here is our radio editor's opinion:

After the dissolution of the USSR, cooperative relations between Vietnam and the republics in the former Soviet Union, especially Russia, were not as close as in the past. Worse still, many economic establishments in Vietnam were affected by the loss of markets in that region.

However, that period did not last long. Vietnam has rapidly reestablished traditional relations with the republics of the former Soviet Union, particularly Russia. Many Vietnamese senior leaders have paid working visits to Russia. Though facing many difficulties, the Russian leaders are interested in relations with Vietnam. VIETSOVPETRO has recently celebrated its exploiting of the 20-millionth tonne of crude oil. Vietnamese Prime Minister Mr. Vo Van Kiet attributed this success to the contribution and cooperation of the Russian working people. Russia is participating in many large energy projects in Vietnam, the biggest of which is the Hoa Binh Hydro Power Plant. Russia continues to provide Vietnam with technical knowhow, sending to Vietnam engineers and technicians to train Vietnamese personnel. Trading activities between the two countries are on the increase with the turnout increasing from $74 million in 1991 to $260 million in 1992. The two countries have reached considerable results during the visit to Russia early this month by Foreign Minister Nguyen Manh Cam. Vietnam and Russia agreed to promote bilateral cooperation in energy, exploitation of oil and gas and mineral ores, the cultivation and processing of tropical farm produce, chemistry, and fishing. The two countries have signed important agreements on cultural, scientific, and technical cooperation, and an agreement on the movement of citizens between the two countries.

In the coming period, Vietnam and Russia will sign an agreement on investment encouragement and an agreement on consulate. Now relations between Vietnam and Russia are developing with new qualitative contents on the basis of mutual benefit. Both sides have tried to find new methods to renew the mechanism of cooperation. They have created chances for localities, companies, and enterprises of different economic sectors in both countries to improve their direct relations.

That is the reason why the Russian Ambassador to Vietnam Mr. Rachid Khamidoulin said Vietnam and Russia are coming out of the standstill. Both countries have embarked on the new road in their cooperation to confirm their long-term traditional friendship.

Canadian Mission Arrives for Project Planning

BK2911063393 Hanoi VNA in English 0549 GMT 29 Nov 93

[Text] Hanoi VNA Nov 29—A four-member mission of Canadian International Development Agency (CIDA) led by Mr. John Langevin, senior development officer of Vietnam-Canada Development Programme is visiting Vietnam from November 24 to December 9 to conclude the planning of a number of projects to be supported by CIDA under the Vietnam-Canada Development Programme.

The mission, after finishing its programme in Ho Chi Minh City, is due to arrive in Hanoi on Saturday to meet various government institutions and offices, including the State Planning Committee, the State Committee for Cooperation and Investment, the Ministry of Science, Technology and Environment and the Office of Government.

The other members of the mission include Mr. Gerry Rogers, programme consultant, Ms. Marie Powell, gender specialist and Mr. Daniel Joly, senior project officer.

The Canadian Embassy, which hosts the mission, said Canada directly contributed approximately (?nine) million dollars a year to development cooperation in Vietnam through the Canadian Internalional Development Agency, with another eleven million dollars in support through multilateral channels and non-governmental organisations.

Ireland Contributes to Electricity Study

BK2911152593 Hanoi VNA in English 1453 GMT 29 Nov 93

[Text] Hanoi VNA Nov. 29—The Irish Government has decided to provide Vietnam with a non-refundable aid of 250,000 Irish pounds (roughly U.S.$500,000) to finance the feasibility study of a project on restoration and development of Vietnam's electricity system.

The decision was announced by Irish Minister of State for Foreign Affairs Tom Kitt during his recent visit to Vietnam as head of the first Irish Government's delegation to the country.

While in Vietnam from Nov. 24-27, the delegation held talks with a delegation of the Vietnamese Foreign Ministry led by Deputy Minister Nguyen Di Nien. The two sides said that they were pleased at the favourable development of the two countries' economic cooperation. The Republic of Ireland has helped Vietnam train hundreds of staff for the energy branch. The Irish diplomat also expressed his joy at the achievements of the Vietnamese people in the renovation process and welcomed Vietnam's foreign policy along the line of openness, diversification and multilateralization.

Minister of State Tom Kitt also had working sessions with the minister of energy, leading officials of the State Planning Commission, the State Committee for Cooperation and Investment, the Ministries of Trade, Transport and Communications, and Agriculture and Food Industry. The delegation visited the Hoa Binh hydroelectric power plant.

Vo Van Kiet Chairs Regular Government Meeting

BK2911052993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Nov 93

[Text] On 28 November, the government held its regular conference in Hanoi under the chairmanship of Prime Minister Vo Van Kiet to discuss plans on rearranging state-run industrial establishments, shareholdings at business corporations, and other important issues.

The conference heard Comrade Do Quoc Sam, minister and head of the State Planning Commission report on plans to rearrange state-run industrial establishments; Deputy Finance Minister Phan Van Tinh—on behalf of the Minister of Finance—report on results in applying the shareholding system at various state-run business corporations. The conference also heard the Government Steering Committee for Promoting Business Activities report on issues related to its work.

At the conference, members of the cabinet discussed measures aimed at strengthening state-run industries and resolving issues related to the renovation of industrial sector, application of the shareholding system, and efforts to diversify ownership forms at state-run production establishments.

Further on Government Session

BK3011063793 Hanoi VNA in English 0559 GMT 30 Nov 93

[Text] Hanoi VNA November 30—The government held its regular session here on November 28 under the chairmanship of Prime Minister Vo Van Kiet to discuss plans on the reorganization of the state enterprises, the equitization of enterprises and other important issues.

The participants heard reports from Minister Do Quoc Sam, chairman of the State Planning Commission, on the reorganization of the state enterprises and from Finance Vice Minister Phan Van Dinh on the plans on equitization and diversification of the forms of the state enterprise ownership.

Up to October 30, 1993, 6,051 state enterprises had been re- established. The state enterprises have played an important role in different fields of the present national economy such as heavy industry (electricity fuel, cement....), post, aviation, railway, communication, waterways, foreign trade, national defence and security industry. The state economic sector, mainly state enterprises, has contributed approximately 40 percent of the gross national product (GNP), and 60-70 percent of the revenue of the state budget.

Speaking on this occasion, Prime Minister Vo Van Kiet laid stress on the necessity of reorganising the state enterprises in the direction of forming soon strong state enterprises is a major policy of the Communist Party and State of Vietnam.

Preparations Under Way for Assembly Session

Do Muoi at Voters-Deputies Meeting

BK2911103393 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 25 Nov 93

[Text] On the afternoon of 24 November, the Ba Dinh Precinct in Hanoi held a get-together between deputies of the Ninth National Assembly and voters from 15 city wards and many units belonging to various economic components to solicit views on the upcoming National Assembly session.

Comrade General Secretary Do Muoi and Capital Military Region Commander Chu Huy Kinh attended and listened to the views of the voters. All the voters expressed their joy over the achievements scored by the country in the renovation process, particularly those in 1993 in the field of industrial, agricultural, marketing, and price management.

Voters of the Ba Dinh precinct hailed the Ninth National Assembly for its law-building efforts and suggested that the National Assembly increase its supervision over law enforcement to enact the state law in a more effective fashion; and that the National Assembly promptly promulgate administrative and civil codes, and those laws dealing with handicraft and artisan cooperatives. As for public management, the administration at the ward and village levels must be further strengthened so it can more effectively carry out enforcement at infrastructure.

Many voters also suggested that the National Assembly and the state adopt stronger measures against corruption, smuggling, and social vices as they are inflicting heavy losses on the economy and adversely affecting social life.

News Conference Previews Session

BK2911134393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Nov 93

[Text] The Office of the National Assembly [ONA] held a news conference this afternoon, 29 November, on the Ninth National Assembly's fourth session. The conference was attended by a large number of local reporters.

Comrade Vu Mao, ONA director, said: During the session, the National Assembly will hear a government report on the implementation of the National Assembly's resolution on its 1993 tasks and the orientations for its 1994 tasks, the situation regarding the implementation of the 1993 state budget, and the 1994 state budget estimate. It will ratify the 1992 state budget final balance, and other supplementary reports on the situation regarding the application of the new wage system, on anticorruption, and antismuggling activities, on the 1993 diplomatic activities of the state and its 1994 course of actions, on the national and defense situation, and on the situation regarding socioeconomic development in the mountain regions and areas inhabited by ethnic minority groups.

As for the law-building task, the National Assembly will pass the law on environmental protection, and the law on business bankcruptcy; will amend and supplement the law on the Supreme People's Court, and will, at the same time, pass a program for law- building during 1994 and also during the Ninth National Assembly's term of office. In addition, the National Assembly will give its views on a draft of the labor law and a draft of the law on state budget in a bid to contine to perfect these draft laws before they are presented to the National Assembly for passage at a later session.

Also at the fourth session, the National Assembly will hear a report on the 1993 activities of the National Assembly Standing Committee; will examine a roundup report on the views of voters nationwide, the many activity reports of the president of the state, of the Nationalities Council, of various National Assembly committees, of the Supreme People's Court, and of the Supreme People's Organ of Control; and will decide on some other important issues.

The comrade director of the ONA also discussed a number of requirements for media activities during the National Assembly session and answered questions raised by reporters revolving around the essence of the Ninth National Assembly's fourth session.

Deputy Prime Minister Receives Foreign Diplomats

BK2911061793 Hanoi VNA in English 0549 GMT 29 Nov 93

[Text] Hanoi VNA November 29—Deputy Prime Minister Phan Van Khai received yesterday on separate occasions Ambassador of Mali Kafougouna Kone, Ambassador of Norway Willy Johan Frederiksen, and Ambassador of Burkina Faso Raymond Edouard Ouedraogo.

Speaking at the reception, the ambassadors of Mali and Burkina Faso expressed their wishes to further strengthen the cooperative relations in socio-economic developments between Vietnam and Mali and Burkina Faso in various fields.

Norwegian Ambassador W.J. Frederiksen said that his country has attached much attention to the issues of socio-economic development, population and job programmes in Vietnam.

Deputy Prime Minister Phan Van Khai informed his guests of some main points of Vietnam's strategy of socio-economic development. He also expressed his belief that the presence of those three ambassadors will contribute to the promotion of the close friendship and effective cooperation between Vietnam and the abovesaid countries.

Nam Ha Sends Workers To Build Economic Zones

BK2911102593 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Nov 93

[Text] As of 20 November, Nam Ha Province had sent more than 830 households with 3,780 persons and 2,055 workers to build new economic zones in A Dun Pa District of Gia Lai Province, Kon Prong District of Kon Tum Province, Duc Linh District of Binh Thuan Province, Dac Mil District of Dac Lac Province, and Bao Loc District of Lam Dong Province. While continuing to send more people to build new economic zones in southern provinces, Nghia Hung and Kim Bang Districts of Nam Ha have also sent 134 households to exploit sea products in coastal regions and plant mulberry in the Ba Sao mountain zone.